

TO: THE MEMBERS OF THE RUTHERFORD COUNTY BOARD OF COUNTY COMMISSIONERS

The proposed budget for Fiscal Year 2010-2011 is presented for your consideration. This budget is based on a tax of 53 cents per \$100 valuation. The following budget message is divided into the following sections:

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I. INTRODUCTION

Introduction Summary

The current economic recession has created many budgetary hardships for the FY2008-2009, FY2009-2010, and FY2010-2011 budgets. Many reductions have been made over the last 18 months based on these economic realities. These reductions continue in this FY2010-2011 recommended budget. Total general fund requests for FY2010-2011 are \$58,633,844. This is an increase of \$1,737,479 or 2.96% as compared to the FY2009-2010 original budget of \$56,896,365. The recommended FY2010-2011 general fund budget totals \$54,962,612. This is a decrease of \$1,933,753 or <3.40%> as compared to the FY2009-2010 original budget. This budget message details the cuts made to achieve a budget with no tax increase. It entails various cuts in county departments, county agencies and the contribution to the County Building Capital Reserve Fund. There are four principle recommended ways to either increase or decrease funding in this budget.

- (1) Reduce or increase the funding for the schools and/or college. Each one percent of FY2009-2010 funding equals \$121,469 and \$19,127, respectively.
- (2) Raise or lower taxes. Each one cent of county taxes generates \$551,853.
- (3) Spend additional or less of fund balance. The budget message addresses this issue in some detail.
- (4) Make additional cuts in county departments through reduction of services.

This budget's priority is, as closely as possible, to maintain existing services by reducing expenditures due to unavoidable increases in some areas while maintaining our fund balance percentage and holding the tax rate steady.

- County departments received \$33,172,145 in FY2009-2010 and are requesting \$33,768,076 in FY2010-2011 representing an increase of \$595,931 or 1.8%.
- The County Schools and the College are the major outside agencies funded by the County. The County Schools received \$12,146,850 in FY2009-2010 and are requesting \$12,210,246 in FY2010-2011. This \$63,396 increase is approximately .52 %. Likewise, the College received \$1,912,715 in FY2009-2010 and is requesting \$1,960,445 in FY2010-2011. This is a \$47,730 increase or 2.5%. See **Appendix A, Isothermal Community College**.
- Requests from other areas including transfers to other funds, special appropriations, court facilities, mental health, health department, capital, legal, medical examiner, coroner, and forestry increased \$1,030,422 from a total of \$9,664,655 to \$10,695,077 or 10.66%. The full listings of these items begin on page 13.

These total requests of \$58,633,844, if fully funded, would have necessitated a tax rate of 58.57cents. Each one cent raises \$551,853 in property tax revenue.

The chart below entitled FY2010-2011 Rutherford County Budget represents the FY2009-2010 original budget, the FY2010-2011 request, and the recommended FY2010-2011 budget.

FY 2010-2011 RUTHERFORD COUNTY BUDGET					
				Increase	
	Original	Requested	Recommended	<Decrease> from	% Change
	Budget	Budget	Budget	Original to	2009-2010 Original
	FY 2009-2010	FY 2010-2011	FY 2010-2011	Recommended	2010-2011 Recommended
County Departments	\$33,172,145	\$33,768,076	\$32,439,164	<\$732,981>	<2.21>%
Schools	\$12,146,850	\$12,210,246	\$11,995,014	<\$151,836>	<1.25>%
College	\$1,912,715	\$1,960,445	\$1,888,806	<\$23,909>	<1.25>%
Other	\$9,664,655	\$10,695,077	\$8,639,628	<\$1,025,027>	<10.61>%
TOTAL	\$56,896,365	\$58,633,844	\$54,962,612	<\$1,933,753>	<3.40>%

The FY2010-2011 recommended budget is an approximate <3.40%> decrease from the FY2009-2010 original budget. The total County Department decrease is \$732,981 or <2.21%>. This decrease can mainly be attributed to the three (3) recommended furlough days, the recommended reduction of 401(k), and the planned vacancies of positions.

The pension rate paid to the Local Government Employees' Retirement System (LGERS) will increase by 1.55 percentage points effective July 1, 2010. The total anticipated increase in cost will be approximately \$190,000. Due to increases in premiums in the State Health Plan, the budget includes an 8.9% increase in health insurance premiums effective July 1, 2010. In addition, we anticipate an 11.11% increase in insurance for retired employees. The total anticipated increase in insurance would be approximately \$200,000. Increased fuel prices are anticipated to cost \$71,500. Reductions in other areas had to be made to absorb these additional costs of \$461,500.

Due to the overall economic condition and the severe loss of county revenue, the schools were recommended at \$11,995,014, the college was recommended at \$1,888,806, and the Health Department was recommended at \$273,686. While county department budgets have decreased by 2.21%, this budget recommends that the schools, college, and Health Department be reduced by 1.25%.

The following items are those that reflect a significant spending increase in next year's budget.

SIGNIFICANT INCREASES FROM FY 09-10 TO FY 10-11	
NC Local Gov Retirement Contribution Increase (1)	\$190,000
Health Insurance (2)	\$200,000
Fuel (3)	\$71,500
Total Significant Increases	\$461,500

1. **NC Local Government Retirement System Contribution Increase:** The Board of Trustees of the Local Government Employees' Retirement System (LGERS) voted on January 21, 2010 to increase the pension rate portion of the employers' contribution by 1.55 percentage points, effective July 1, 2010. The pension rate will increase from 4.8 percent of payroll to 6.35 percent for general employees (a 32.29% increase) and from 5.27 percent to 6.82 percent of payroll for law enforcement employees (a 29.41% increase). The total anticipated increase in cost will be approximately \$190,000.
2. **Health Insurance.** Rutherford County joined the State Health Plan effective July 1, 2005. Effective July 1, 2010 individual health premiums will increase 8.9% for active employees and we anticipate an 11.11% increase for retired employees. The total anticipated increase in insurance would be \$200,000.
3. **Fuel.** The FY2009-2010 budget included fuel at \$2 gallon on average for the year (a pump price of approximately \$2.45). We have included an average pump price of \$3.08 per gallon for unleaded and \$3.23 per gallon for diesel in the FY2010-2011 budget.

II. PROPERTY VALUE/REVENUE

COMPREHENSIVE TAX VALUE ESTIMATES 2009-2010 VERSES 2010-2011 (newest revisions)

	2009-2010	2010-2011	ESTIMATED	
	Actual from tax bill scrolls	Estimate reported April 2010	GAIN/(LOSS)	Difference
Real Property	5,067,195,736	5,070,000,000	2,804,264	0.0553%
Personal Property	39,992,960	37,000,000	(2,992,960)	-7.4837%
Business Personal Property	313,065,540	300,000,000	(13,065,540)	-4.1734%
Public Utility Values	299,422,230	302,420,000	2,997,770	1.0011%
DMV Value	378,042,420	370,000,000	(8,042,420)	-2.1273%
subtotals	6,097,718,886	6,079,420,000	(18,298,886)	-0.3000%
Less Homestead & DV Exclusions	69,538,730	80,000,000	10,461,270	15.0438%
Less Exempt	4,321,100	5,000,000	678,900	15.7112%
Less Present Use Value (deferred)	116,762,800	117,391,200	628,400	0.5382%
subtotals	(190,622,630)	(202,391,200)	(11,768,570)	6.1738%
TOTAL	5,907,096,256	5,877,028,800	(30,067,456)	-0.5090%

The previous chart "Comprehensive Tax Value Estimates 2009-2010 Verses 2010-2011" illustrates that, based on the information entered on the tax scrolls at this time, the county estimates an overall decrease in property values of <.51%>. The tax office will continue to gather data over the next few weeks. The economy continues to be a major factor in this year's budget. It has contributed to the decline in machinery and equipment with plant closings, company's not purchasing new equipment and further depreciation of assets. Motor vehicle value has declined, as well, due to vehicles not being replaced. Even real estate is subject to the economy as evident by the loss of revenue from Grey Rock which is discussed in more detail below. Exemption and deferment values have eroded the tax base as the demand to relieve the tax burden

affects more people. The low income elderly and recently changed disabled veteran's exemptions show a significant increase and will continue to increase as more county residences qualify. Legislation impacting low income housing (section 42) for the elderly has decreased value from the tax base. The unemployment rate, in addition to the bankruptcy of LR Buffalo Creek, LLC (Grey Rock), has contributed to a decline in the property tax collection rate. All of these factors have caused a decrease in the collection of taxable revenue. Also, public utility values will not be received from the Department of Revenue until September 2010. However; the tax base should receive an increase in public utilities from the Duke Energy project. The above projection of public utility values does not reflect this increase at this time.

Grey Rock could potentially impact the county in two different ways. The development company, LR Buffalo Creek, LLC is currently in bankruptcy. The county is currently owed two years of delinquent taxes in the amount of \$810,561 (\$781,556 County, \$29,005 Fire) for FY2008-2009 and FY2009-2010, and will be owed one year of current taxes in the amount of \$400,886 (\$386,308 county, \$14,578 Fire) for FY2010-2011. The current bankruptcy order would direct payment of all the years of Grey Rock taxes by a current bidder of certain Grey Rock properties, but the final outcome of this process will not be known until the property has been transferred. Therefore, no taxes for FY2008-2009, FY2009-2010 or FY2010-2011 have been budgeted. In addition, 45 property owners currently owning 57 lots valued by the county at \$13,250,900 (tax amount \$70,230) are currently being appealed to the North Carolina Property Tax Commission. The Tax Department's interpretation of the General Statutes is that these circumstances do not qualify for a current reduction and these lots would need to be reassessed during the 2011 revaluation. Some parcels were purchased by Carolina Nature Conservancy and the tax for that portion was paid. The sold parcels are now exempted from taxation. Queens Gap could become another Grey Rock situation, as the current developer has not paid FY2009-2010 tax in the amount of \$146,002 (\$140,556 County, \$5,446 Fire) and the agreement by the developer for a payment plan has not been kept. Another developer Firefly Cove has appealed 40 parcels with an assessed value of \$19,252,200 (tax amount \$142,466) to the North Carolina Property Tax Commission and declined to pay outstanding tax during the appeal process. This budget does not provide for any tax value reduction based on current appeals by property owners who bought lots in Grey Rock or Firefly Cove.

The following chart represents the impact of Grey Rock and Queens Gap on the county's tax base and revenue.

	FY 2008-2009		FY 2009-2010		FY 2010-2011		FY 2011-2012	
	Assessed Value	Tax Revenue	Assessed Value	Tax Revenue	Assessed Value	Tax Revenue	Assessed Value	Tax Revenue
Grey Rock								
Unsold Lots	82,407,800	\$436,761	81,635,900	\$432,670	81,635,900	\$432,670	8,163,590	\$43,267
Sold Lots	96,585,100	\$511,901	97,414,800	\$516,298	97,414,800	\$516,298	9,741,480	\$51,630
Sub Total	178,992,900	\$948,662	179,050,700	\$948,968	179,050,700	\$948,968	17,905,070	\$94,897
Queens Gap								
Unsold Lots	51,030,800	\$270,463	32,927,300	\$174,515	32,927,300	\$174,515	3,292,730	\$17,451
Sold Lots	34,124,900	\$180,862	38,753,400	\$205,393	37,753,400	\$205,393	3,875,340	\$20,539
Sub Total	85,155,700	\$451,325	71,680,700	\$379,908	71,680,700	\$379,908	7,168,070	\$37,990
Total	264,148,600	\$1,399,987	250,731,400	\$1,328,876	250,731,400	\$1,328,876	25,073,140	\$132,887

The 2011 county wide revaluation could show a decrease in the tax base for FY2011-2012. Current sales indicate a decrease of 70% to 90% of tax value for LR Buffalo Creek, LLC. (This same type of adjustment may be required for Queens Gap if it were to file bankruptcy). Revenue funding loss for both would be in excess of \$1,294,000 tax dollars. At this time, limited sales are making it difficult to project the new assessments; however, the projections do

indicate that some properties such as industrial facilities will decrease significantly, while most residential properties will show some gain or little to no change, which would shift the tax burden in a revenue neutral revaluation from industries to residential properties. The estimated reduction in real property assessment in conjunction with the continued decrease in personal property value could require an upward adjustment to the tax rate in budget year FY2011-2012.

In summary, the FY2010-2011 estimated values do not include any increase from the Duke Energy Cliffside Project nor do they include any decrease based on current appeals that have been requested by individuals who own lots at Grey Rock or the developer at Firefly Cove. The property tax collection rate for FY2010-2011 considers that the County will not receive any 2010 taxes from the LR Buffalo Creek, LLC (Grey Rock) bankruptcy settlement, the possibility of not receiving Queens Gap taxes, and anticipates a further decline in property tax collections based on the economy. The estimated FY2010-2011 property tax revenues of \$29,248,209 are based on a value of \$5,877,028,800 at a tax rate of 53 cents at a collection rate of 93.90%. The net value of one cent of property tax under this scenario is \$551,853. To put the collection rate in perspective, the property tax collection rate in FY2007-2008 was 96.41%. The annual property taxes owed by LR Buffalo Creek, LLC and Queens Gap account for 1.8% of this decline in the collection rate.

We have included a chart in **Appendix B, entitled “Exemptions, Exclusions and Deferment”**. This chart will allow the county to track legislation as it impacts the county’s ad valorem revenue. The ultimate effect of these exemptions, exclusions and deferments as it lowers the tax implication on one segment of taxpayers is an increase on the remaining taxpayers.

After property taxes, sales tax is the second largest revenue stream for the county. The economy coupled with the Medicaid swap has had a major impact on the County’s sales tax revenues. A chart comparing sales tax revenues over a four year period is shown below:

Rutherford County Sales Tax				
FY 2007-08 Actual through FY 2010-2011 Recommended				
	FY 07-08	FY 08-09	FY 09-10	FY 10-11
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Recommended</u>
Article 39 one cent	\$ 4,376,096	\$ 4,277,748	\$ 4,300,000	\$ 4,300,000
Article 44 hold harmless	\$ -	\$ (187,275)	\$ (420,000)	\$ (480,000)
Total Article 39	\$ 4,376,096	\$ 4,090,473	\$ 3,880,000	\$ 3,820,000
Article 40 one-half cent	\$ 3,076,644	\$ 2,685,363	\$ 2,500,000	\$ 2,525,000
Article 42 one-half cent	\$ 3,057,718	\$ 2,662,724	\$ 2,150,000	\$ 2,100,000
Article 42 hold harmless	\$ -	\$ -	\$ (50,000)	\$ (80,000)
Total Article 42	\$ 3,057,718	\$ 2,662,724	\$ 2,100,000	\$ 2,020,000
Article 44 one-half cent	\$ 2,279,979	\$ 1,158,938	\$ 215,000	\$
Total Sales Tax	\$ 12,790,437	\$ 10,597,498	\$ 8,695,000	\$ 8,365,000

Total sales taxes are projected to come in at \$8,695,000 in FY2009-2010 which is \$4,095,437 less than the FY2007-2008 actual total of \$12,790,437. This decrease can be attributed to two things—the Medicaid swap and a declining economy. While the economy has stabilized somewhat, we are anticipating total sales tax revenues to be \$8,365,000 in FY2010-2011 representing an additional loss of \$330,000 due mainly to the final phase of the Medicaid swap. The total loss over the three year period due to both the economy and the Medicaid swap is \$4,425,437 when comparing the FY2010-2011 recommended budget to the FY2008-2009 actual.

The Article 39 one cent sales tax used to fund General Fund operations and the Water and Sewer Fund is projected to come in at \$3,820,000 in FY2010-2011 which is \$60,000 below the FY2009-2010 estimated amount of \$3,880,000. This article is expected to decrease due to the increased cost required to hold the cities harmless from Article 44 losses due to the Medicaid swap.

The Article 40 and 42 (two one-half cent sales taxes) are used to fund the Schools Capital Reserve Fund, the County Building Capital Reserve Fund and the ICC Capital Reserve Fund. These articles are projected to decrease from \$4,600,000 in FY2009-2010 to \$4,545,000 in FY2010-2011 due mainly to the final phase of the Medicaid swap converting Article 42 from a per capita basis to a point of sale basis which began in October 2009. This reduction only affected 9 months of FY2009-2010 but will affect the entire year for FY2010-2011. In addition, the County is required to hold the cities harmless from the loss to them due to this conversion of Article 42. These two articles (40 and 42) of tax *historically have a growth rate of* 4-5%. The 12.8% decline (approximately \$800,000) from FY2007-2008 to FY2008-2009 due solely to the economy followed by a 6.9% decline due solely to the economy in the following year (FY2009-2010) is unprecedented. We expect these two articles to remain relatively flat in FY2010-2011.

The economic downturn has had a severe negative impact on the revenues in two departments—Building Inspections and Register of Deeds. The chart below illustrates three selected revenue sources provided by these two departments. Based on the slowdown in development and housing, these three selected revenues dropped from \$1,431,000 in FY2008-2009 to \$737,200 in FY2010-2011, a projected revenue reduction of \$693,800.

Building Inspections/Register of Deeds FY2008-2009 and FY2009-2010 Original Budgets verses (selected fees) FY2010-2011 Proposed Budget			
	FY08-09	FY09-10	FY10-11
Register of Deeds, Excise Stamps (net)	\$ 468,000	\$208,000	\$187,200
Register of Deeds, Other Revenues	\$ 455,000	\$325,000	\$300,000
Building Inspections, Permits	\$ 508,000	\$300,000	\$250,000
	<u>\$1,431,000</u>	<u>\$833,000</u>	<u>\$737,200</u>

Decreasing interest rates and the reduction of fund balance has had a major impact on interest revenue during this same period of time. Our recommended estimate for FY2010-2011 is \$150,000. To put the decline in interest earnings in perspective, FY2006-2007 general fund interest earnings were \$969,102.

Lastly, increased fees are recommended in EMS. Medicare Allowable Rates are adjusted by the federal government annually at the beginning of each calendar year. Revenues to Rutherford County can be maximized if charges for medical services that are directly related to the Medicare/Medicaid Fee Schedule are updated at the same time the federal government makes these adjustments.

We request that in order to maximize revenues for Rutherford County, stay in compliance with the Medicare Fee Schedule, and to stay competitive in our pricing with surrounding counties, an annual adjustment of emergency medical services fees be made. We also request that this adjustment be made, without further action by the Board of Commissioners, to reflect 125% of the Medicare Allowable rates for Rutherford County (rounded up to the nearest dollar). This will allow rates to automatically be adjusted each year on January 1st in response to the annual Medicare Allowable Rate adjustment. **Please refer to the tables in Appendix C, EMS Fees and Collections, for further details regarding charges.**

The emergency services billing process is a very involved procedure that requires many man hours of work for each claim to ensure maximum return of revenues for the county. As call volumes have increased, billing guidelines have continuously changed, and the actual annual costs of billing has risen. It has become difficult to maximize revenues from the submitted charges with our current process.

In order to ensure maximum return of revenues for the county while, at the same time, decreasing costs and improving our quality review process by utilizing current billing personnel in that role, EMS intends to utilize EMS Management and Consultants as the billing agency for all future EMS billing. Based on conservative estimates, the increase in our revenues will result in at least \$72,808 with potential for additional increases in revenues. EMS Management and Consultants employs a very impressive staff of professionals whose expertise is maximizing revenues through good billing practices. They also have a long track record of good business practices with surrounding counties and throughout North Carolina. Please refer to **Appendix C** for further details regarding the estimated increases in revenue.

III. RUTHERFORD COUNTY FUND BALANCE

Prelude to FY2010-2011 Budget

During the fiscal year ending June 30, 2009 the county made two rounds of cuts to departmental budgets. The County was notified in the first quarter of FY2008-2009 that our second largest taxpayer, LR Buffalo Creek LLC (Greyrock), was filing for bankruptcy. In addition, Building Permit and Excise Stamp revenues declined. In response, in October 2008 all county departments reduced their budgets by 2%, a hiring freeze was implemented, a scheduled pay and reclassification study was postponed and merit salary bonuses were eliminated. In March 2009, due to declining sales tax revenues in our January and February sales tax distribution and the volatility of revenues in general, an additional round of cuts was made. The two reductions reduced the current budget by over \$1,000,000. Outside agencies, such as the schools and the college, did not revert back any currently budgeted county funds.

Fortunately, the county has worked very hard to build a strong fund balance over the last several years. Specifically, the county increased its fund balance by \$1,806,981 in FY2007-2008. Based on the quickly evolving budget crisis, the County set a budgetary goal centered around spending an equivalent amount of fund balance that was added in FY2007-2008 (\$1,806,981) over the two year period of FY2008-2009 and FY2009-2010 to lessen the overall impact of those revenue shortfalls.

County staff reported at the November 2009 Board meeting that it was anticipated that the county would exceed the approximate \$1.8 million dollar target for fund balance usage by \$350,000. The two principle reasons for this \$350,000 were lower than projected sales tax revenues and State budget changes. The sales tax that funds the General Fund was lower than projected by approximately \$245,000 in total. In addition, lost revenues or increased expense as a result of changes the state made in their budget that was passed along to the county amounted to approximately \$145,000. Department heads reviewed their budgets and found reductions in the amount of \$240,000. In addition, the county implemented three unpaid furlough days for all employees for approximately \$110,000 for the total reduction of \$350,000.

Rutherford County's fund balance actually increased by \$51,509 in FY2008-2009 due mainly to the postponement of capital purchases until FY2009-2010. Based on this addition to fund balance last year and our goal to spend approximately \$1,806,981 between July 1, 2008 and June 30, 2010, the County could spend approximately \$1,858,490 in fund balance in FY2009-2010. The following chart shows current projections reflecting that Rutherford County's fund balance available for appropriation will decrease from \$13,277,245 on 6-30-2009 to an estimated \$11,457,546 on 6-30-2010. This net decrease is due to the planned reduction in fund balance to soften the impact of the economic crisis on services.

Estimated Fund Balance Available for Appropriation 6-30-10		
General Fund Balance Available for Appropriation 6/30/09		\$ 13,277,245
Estimated Expenditures over revenues FY2009-2010		(1,819,699)
Estimated Fund Balance Available for Appropriation 6/30/10		\$ 11,457,546
Average percent fund balance for county units between		
50,000 and 99,000		24.31%
Statewide average fund balance		20.62%
Rutherford County's percent of fund balance		20.39%
General Fund (excluding lease purchase)	\$ 47,448,689	
DSS other revenue	8,753,424	
Total	\$ 56,202,113	
25% operating expense (Optimum reserve fund balance as		
recommended by the Local Government Commission)		\$ 14,050,528
8.33% operating expense (Minimum reserve fund balance as		
mandated by the Local Government Commission. If less		
than this unit is considered to have cash flow problems)		\$4,681,636

We have stated in previous budget messages, based on historical data and financial projections of the county, a certain amount of the general fund balance would be unspent at the end of any fiscal year. Historically, we have estimated that percentage at 2%. We are reducing that fund balance estimate not to be spent to 1.1% or approximately \$600,000, in the FY2010-2011 budget. Because budget line items have been reduced to the point that there is little room for unexpended appropriations, making this decrease from 2% to 1.1% was deemed to be prudent.

Since the 2002 Revaluation, the County has budgeted fund balance each year prudently and conservatively. Even with the current projection which shows a \$1.8 million dollar decrease in fund balance, from 2002-2010 the fund balance available for appropriations has grown from \$5,482,499 to a projected \$11,457,456 which is 13.61% to 20.39% of the budget respectively. This increase in fund balance provides the county much greater financial stability. In addition, it has eased cash flow issues. Furthermore, it has a positive effect as the county borrows funds from the standpoint of rating agencies.

The chart below, "Analysis of County Budget from FY08-09 to Recommended FY 10-11", shows that the overall county budget has shrunk from a high in FY2008-09 of \$62,192,577 to a recommended \$54,962,612 in FY 2010-11 resulting in a decrease of \$7,229,965. The loss of the Medicaid expense and offsetting sales tax revenue account for approximately \$3 million or 41% of that total; however, the remaining \$4.2 million or 59% is an overall decrease in county expense. Estimates beginning this year were that fund balance would decrease to 19.31% of budget at year end FY2009-2010. Because of the reducing budget totals, current estimates are that based on the FY2010-2011 budget of \$54,962,612 the fund balance will be 20.8%. Because of reducing budgets,

the county can safely utilize approximately \$450,000 of fund balance over the next two years and still maintain a healthy 20% fund balance.

ANALYSIS OF COUNTY BUDGET FROM FY 08-09 to RECOMMENDED FY 10-11						
	FY08-09	FY09-10		FY10-11		% Change
	Approved	Approved	%	Recommended	%	08-09 to 10-11
County Depts. less Schools/ College	35,706,838	33,172,145	-7.10%	32,439,164	-2.21%	-9.15%
Schools	12,146,850	12,146,850	0.00%	11,995,014	-1.25%	-1.25%
College	1,920,115	1,912,715	-0.39%	1,888,806	-1.25%	-1.63%
Other	12,418,774	9,664,655	-22.18%	8,639,628	-10.61%	-30.43%
Total	62,192,577	56,896,365	-8.52%	54,962,612	-3.40%	-11.63%

IV. RECOMMENDED ITEMS FOR BUDGET REDUCTION

Fund Balance

The \$1.8 million fund balance reduction over the last two years has been well documented. In Section III, Rutherford County Fund Balance: Prelude to FY2010-2011 Budget, the rationale for spending up to an additional \$450,000 is presented. As stated in Section III, the overall fund balance will still be at or above 20%.

Schools/ICC/ Health Department

Rutherford County has held the schools, ICC, and Health Department harmless since the recession began in the fall of 2007. During that same period of time, FY2008-2009 to projected FY2010-2011, the Rutherford County budget has decreased by \$7.2 million or -11.63%. County department budgets have decreased \$3.27 million or 9.15%. Based on this budget, the schools, ICC and Health Department are recommended to receive a decrease of 1.25% or \$151,836, \$23,909 and \$3,465.

Furlough Days

In FY2009-2010, Rutherford County had three unpaid furlough days on the Wednesday before Thanksgiving, the Wednesday before Christmas and Easter Monday. This is recommended to be repeated for all departments with the exception of Public Safety and Solid Waste with limited operation in Transit. These three departments would take their furlough days at the departments' discretion. Each furlough day saved \$45,000 for a total savings of \$135,000.

401K Reduction

A 1.25% reduction from 5% to 3.75% with the exception of the certified law enforcement personnel is recommended. Certified law enforcement is mandated at 5% by the General Statutes. This saved \$100,000.

Building Fund

Rutherford County currently sets aside 2.1 cents of property tax into the building fund. It is recommended that be reduced to 1.6 cents for a budget reduction of \$275,408. This is discussed more fully in Section VII, Building Fund.

Personnel

In Section V, Significant Project Updates: Personnel, the amount of money saved on unfilled positions since October 2008 is documented. The same policy regarding the hiring freeze will continue during FY2010-2011. The total known cost of unfilled positions since the beginning of the hiring freeze is approximately \$521,077 as of April 30, 2010 with additional savings expected as a result of the hiring freeze as vacancies occur.

In October 2008, the following procedures were implemented for the hiring freeze.

- (1) A hiring freeze for all public safety positions not posted as of 8:30 am on October 21, 2008 is in place. These positions shall remain vacant for a minimum of 30 days from the time a position becomes vacant.
- (2) A hiring freeze for all other general fund positions not currently posted as of 8:30 am on October 21, 2008 is in place. These positions shall remain vacant for a minimum of 60 calendar days from the time a position becomes vacant. At that time the department head would have to state the rationale for filling the position, and it would be considered on a case by case basis by the County Manager.

The same procedure will be recommended for FY2010-2011.

During FY2008-2009, 21 positions were vacant under the hiring freeze procedure saving an approximate \$131,990 in salary costs and benefits. The amounts saved during FY 2009-2010 have already exceeded that number. As of April 30, 2010, an approximate total savings of \$521,077 has occurred since the implementation of the hiring freeze. The county is evaluating positions in order to make the best decisions regarding the current work load in departments while constantly looking to reduce expenditures. The following represent examples of the steps that have been taken.

Register of Deeds

During the FY2008-2009 budget reduction process, one Deputy Register of Deeds in the Register of Deeds Department was assigned to image old documents.

The portion of salary spent on this imaging is paid out of special funds that are set aside in the Register of Deeds Automation Enhancement Fund through state requirements that specify that those funds only be used for technological improvements. Shifting her duties in FY2008-2009 saved approximately \$6,000. The work load in this department has decreased because of the housing/real estate downturn. The imaging portion was increased to 50% of her work time, saving \$17,591 in FY2009-2010. Moving forward, the employee occupying this position will be transferred to the Department of Social Services filling one of their open positions. Due to the continuing slow economy, this position will not be filled. The Department of Social Services needs to have all of their positions filled due to the extraordinary workload placed on the agency due to the economic hardships. This will reduce General Fund expense in FY2010-2011 by \$36,576.

Board of Elections/Building Inspections

The office assistant position for the Board of Elections was vacant from October 21, 2008 until March 23, 2009. During FY2009-2010 the county will conduct both municipal elections and state and national primaries. One stop voting is increasing. Replacing this position in anticipation of those needs with an adequate training period was deemed important. Building Inspection permits are down. One of the two office assistants in that department was transferred to the Board of Elections Office in March 2009. This transfer was approved by the Board of Elections. This allowed an adequate training period in the Elections Department and Building Inspections will function with one less staff position saving \$35,121 annually. In addition, the Board of Elections staff member will work four (4) months in tax listing in FY2010-2011 saving \$9,000 in part time salary

Next, the department head for the Building Inspections Department retired in March 2010. The Assistant Chief Inspector was promoted to the Department Head Position and his position was not replaced.

Building Inspections

The State Energy Office, a section of the North Carolina Department of Administration, contacted the county and offered assistance in providing free energy audits to two county owned buildings and training on how to conduct those audits, as well as, implementing viable energy reduction programs. Due to the slowdown in building permits, the county has assigned a building inspector to receive the training and to develop a comprehensive energy program in FY2009-2010. We will continue this program for FY2010-2011 utilizing the same building inspection position. Based on the initial work between the State Energy Office and the county staff, we were advised to expect an 8-10% savings in our utility bills beginning in FY2009-2010. This budget is estimating a 9% reduction, or \$44,550 dollar decrease in utility cost. In addition, the county will continue to pursue grants to assist in this energy reduction program. **Appendix D, Utility Saving Initiative** provides information on this.

Additional Personnel Notes

County employees received a 2.5% COLA raise in October 2008 (FY2008-2009), three unpaid furlough days this year (FY2009-2010) and three proposed unpaid furlough days for next year (FY2010-2011). The net impact for this is for this three year period is county employees will see no wage increase and the prospect for a wage increase in FY2011-2012 does not seem likely.

Special Appropriations

Special appropriations for the most part represent private non-profit organizations and other agencies that the county determines are important for county operations and as such, make a contribution to their operation decisions. Beginning last year, a new format was sent to these non-profits with the request that they be submitted for budget consideration. The forms submitted by each agency are in the Departmental Information Book.

Due to the recent budgetary constraints, County staff recommends that the agencies who received appropriations in FY2009-2010 continue to receive appropriations in FY2010-2011 but at the lesser amount received over the past three years. In other words, they are recommended at the lowest appropriation that they received from the period of FY2007-2008 through FY2009-2010.

The chart listed on the following page, “Selected Special Appropriation Analysis FY2007-2008 through FY2010-2011” provides the last three years of appropriations, the request for FY2010-2011 and the recommendation for FY2010-2011.

SELECTED SPECIAL APPROPRIATION ANALYSIS					
FY 2007-08 THROUGH FY 2010-11					
	Final Budget	Final Budget	Final Budget	Request	Recommendation
	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2010-11
<u>Heritage/Cultural/Recreation/Agricultural</u>					
FOOTHILLS CONNECT*	100,000	100,000	-	100,000	-
FARM MUSEUM	-	4,000	4,000	4,000	4,000
NC WILDLIFE BEAVER MNGT PROGRAM	-	-	4,000	4,000	4,000
GENEALOGICAL SOCIETY OF OLD TRYON	10,000	4,800	4,800	4,800	4,800
BECHTLER MINING DOCUMENTARY**	-	5,000	5,000	5,000	5,000
CONTRIBUTION TO COUNTY HISTORIAN	6,000	6,000	6,000	6,000	6,000
<u>Public Safety</u>					
RUTHERFORD CO TRAFFIC CONTROL	7,090	7,303	7,303	7,303	7,090
RUTHERFORD COUNTY SEARCH & RESCUE	1,147	1,181	1,200	3,000	1,147
RUTHERFORD RESCUE OPERATIONS	40,777	42,000	41,000	43,000	40,777
RUTHERFORD CO RESCUE CAPITAL	26,408	27,200	19,979	8,000	8,000
HICKORY NUT RESCUE OPERATIONS	95,526	98,392	98,392	152,168	95,526
HICKORY NUT RESCUE CAPITAL OUTLAY	20,000	20,000	20,000	36,000	20,000
VOLUNTEER LIFESAVING OPERATIONS	36,113	33,700	33,700	53,000	33,700
VOLUNTEER LIFESAVING CAPITAL	20,422	24,530	13,982	16,091	13,982
RUTHERFORD CO AIR RESCUE SQUAD	5,636	5,805	6,000	6,000	5,636
<u>Administrative/Supporting Agencies</u>					
ISOTHERMAL PLANNING COMM DUES***	11,130	12,689	12,655	12,809	12,809
<u>Health/Community</u>					
COMMUNITY CLINIC OF RUTHERFORD	\$ 5,250	\$ 5,408	\$ 10,000	\$ 10,000	\$ 5,250
WNC COMMUNITIES	2,500	2,500	2,500	2,500	2,500
VOLUNTEER RUTHERFORD	1,000	800	800	1,000	800
CONT TO CLIFFSIDE SANITARY DISTRICT****	-	55,000	61,296	61,296	61,296
CONTRIBUTION TO RURAL DEV COUNCIL	3,000	3,000	2,700	3,200	2,700
TOTALS	\$ 391,999	\$ 459,308	\$ 355,307	\$ 539,167	\$ 335,013
* The County was required by the e-NC grant to contribute \$100,000 per year to Foothills Connect in FY 2007-08 and FY 2008-09. The request for \$50,000 in FY 2009-10 is for a specific program at Foothills Connect.					
** In the FY 2008-09 budget process, the Board voted to commit \$5000 per year for five years to the Bechtler Mining Documentary.					
*** These are annual dues to the Isothermal Planning and Development Commission and cover the County's membership in the regional Council of Government.					
**** We have not received a request from Cliffside Sanitary Department at this time. The request is listed at the FY 2009-10 figure.					

V. SIGNIFICANT PROJECT UPDATES

Health Insurance-State Health Plan-Rutherford County joined the State Health Plan effective July 1, 2005 as part of a pilot project offered by the state. The Rutherford County Health Plan consists of Rutherford County employees, Rutherford-Polk-McDowell District Health employees, and Rutherford-Polk Mental Health retirees. The chart below estimates the projected savings from the prior health plan versus the State Health Plan from July 1, 2005 to July 1, 2011.

Estimated Annual Savings of Rutherford Health Plan as a Participating Member of the State Health Plan Fiscal Year

Fiscal Year	Annual Savings	Cumulative Savings
FY2005-2006	\$444,795	\$444,795
FY2006-2007	\$627,968	\$1,072,763
FY2007-2008	\$761,376	\$1,834,139
FY2008-2009	\$659,525	\$2,493,664
FY2009-2010	\$735,446	\$3,229,111
FY2010-2011	\$890,869	\$4,119,979

As it has been widely reported, the State Health Plan has experienced significant financial problems. Rutherford County budgeted for an 8.9% increase for regular employee premiums and an increase from 4.5% of payroll to 5% of payroll for retirees insurance. The total increased cost in health insurance is \$200,000. There are retiree eligibility issues outstanding that have been discussed between county staff, state staff, state elected officials and Commissioners. It is also still possible that the county will have to pay the State the difference between the retiree insurance premiums that were invoiced by the State and paid from July 1, 2005 through June 20, 2008 and the percent of payroll that the State says should have been paid. This difference is \$836,562.

Retiree Health Insurance Eligibility

Rutherford County adopted retiree health insurance effective January 1, 1988. On July 5, 2005, Rutherford County amended this retiree health insurance plan. The 1988 plan and the 2005 amendment are attached in **Appendix E, Retiree Health Insurance Information**. Effective July 1, 2005 Rutherford County became a member of the State Health Plan. Effective July 1, 2008 Rutherford County began paying the percentage of payroll to cover the cost of retiree health insurance. Since July 1, 2008, Rutherford County retiree health insurance has attempted to apply the retiree health insurance eligibility with some difficulties. Prior reports to the Board have explained issues between the county and the state. In FY2009-2010, Rutherford County's Budget Message stated "there are retiree eligibility issues outstanding that have been discussed between county staff, state staff, state elected officials and Commissioners." The interpretation of how to determine retiree eligibility is still being discussed between the county and the state. Senator Clary and Representative England are aware of these issues and it may require legislation that defines how the State Health Plan defines retiree eligibility in all those governmental units on that State Health Plan. With the approval of this budget, it is recommended that the attached page under the heading Retiree Health Insurance Coverage in **Appendix E**—be recognized as the current policy for retiree health insurance which is the actual practice of the county from the effective July 1, 2008 date as described above. The actual legislation that will need to be passed will determine how this policy is put into practice.

Mental Health Funds-Western Highlands, Local Management Entity (LME) formed as a result of the merger of three Area Programs—Blue Ridge, Rutherford-Polk, and Trend- and began operations January 1, 2004. The chart below represents the Behavioral Grants awarded in FY2007-2008, FY2008-2009 and FY2009-2010.

Rutherford County Mental Health Funds

Dissolution Funds Remaining from District Authority	\$ 237,152
Rutherford County MOE remaining from FY 2006-2007	\$ 68,112
Rutherford County Maintenance of Effort (MOE) for FY 2007-2008	\$ 102,168
Total Funds Available for FY 2007-2008	\$ 407,432
FY 2007-2008 Awards	
Parkway Behavioral Emergency Services Function continuation	\$ 35,000 Plus continue to receive office space at no cost through 6-30-08
Family Preservation	\$ - Plus continue to receive office space at no cost through 6-30-08
Both Parkway and Family Preservation - Recruitment costs	\$ 60,000
General Recruitment Costs	\$ 6,823
Rutherford Life Services - Service/transport no subsidy clients	\$ 25,000
Total FY 2007-2008 Awards	\$ 126,823
Total Funds to Carryforward for FY 2008-2009	\$ 280,609
FY 2008-2009 MOE	\$ 102,168
Total Funds Available for FY 2008-2009	\$ 382,777
FY 2008-2009 Awards	
CIT Training Scholarships	\$ 3,000
Tipton Therapeutic Day Treatment Services	\$ 104,670
Rutherford Life Services - Partial support 2 clients	\$ 18,750
Family Preservation	Plus continue to receive office space at no cost through 6-30-09
Magnolia House Van	\$ 15,000
Peer Counselor	\$ - Carried over to FY2009-10
Parkway Behavioral	\$ - Continue to receive office space at no cost through 6-30-09
Total FY 2008-2009 Awards	\$ 141,420
Total Funds to Carry forward for FY 2009-2010	\$ 241,357
FY 2009-2010 MOE	\$ 102,168
Total Funds Available for FY 2009-2010	\$ 343,525
FY 2009-2010 Awards	
Family Preservation*	\$ 12,855 12.5% rent. They are paying County \$12,855 (12.5%) to get to 25%. Received benefit of no rent expense on 75%.
Magnolia House Peer Counselor	\$ 6,240 Carried over from FY2008-09
	Rent free space

Home Care Management Corp	\$ 5,000
Judicial District 29A Drug Court	\$ 5,000
	\$ 1,000
	\$ 500
Parkway Behavioral*	\$ - Rent free space 75%
	\$ 27,000
RHA	\$ 5,000
Rutherford Life Services	\$ 12,043
United Way	\$ 27,530
Rutherford Hospital	\$ 30,000 <u>Dissolution Funds</u>
Total FY 2009-2010 Awards	\$ 132,168
Total Funds to Carry forward for FY 2010-2011	\$ 211,357
FY 2010-2011 MOE	\$ 102,168
Total Funds Available for FY 2010-2011	\$ 313,525
* These agencies were requested to develop a plan to contribute 50% of their rent in FY 2010-11 as relates to space used in the Rutherford Center building.	
NOTE: Please be reminded that only \$102,168 is available on an ongoing basis.	

In FY2010-2011 Rutherford County has \$211,357 remaining in dissolution funds. In addition, there is a new allocation of \$102,168 in MOE funds budgeted. Therefore, there is \$313,525 available in FY2010-2011 for Mental Health projects. The local committee is currently studying those requests and will bring a set of recommended projects to Commissioners during the budget process.

VI. GENERAL FUND SUMMARY

The worldwide recession that began in the fall of 2007 has taken a significant toll on the Rutherford County economy. Beginning in the fall of 2008, Rutherford County has taken significant steps to reduce expenditures. This budget message details many of those steps. From FY2008-2009 budget to the Recommended FY2010-2011 budget, the total General Fund has decreased from \$62,192,577 to \$54,962,612 or 11.63%. The loss of Medicaid expense and sales tax offsetting revenue account for approximately 60% of that amount; however, the remaining 40% is still a significant budget reduction. In addition, the county has absorbed increased cost of health insurance, retirement contributions, fuel charges, and state cost shifting by reducing county expenditures. The budget reductions recommended from FY2009-2010 to FY2010-2011 is \$1,933,753 or 3.4%. These reductions are achieved by budgeting \$733,174 in fund balance (\$600,000 unspent, \$133,174 spent), reducing schools, college and health department funding by 1.25%, requiring three unpaid furlough days for county employees, reducing Rutherford County's 401k contribution for regular employees to 3.75%, reducing the 2.1 cents set aside to the Building Fund to 1.6 cents and continuing to reduce personnel expense through the hiring freeze and unfilled positions.

This budget reduction recommendation is made with the following conditions. If the fund balance spent as of 6-30-10 exceeds the \$1.8 target, or the state takes substantial additional revenue from the county or passes along additional expense or if the public utility values do not meet the stated budget without some other significant offsetting event, the combination of these key indicators will

signal if additional cuts should be made. The last of these three indicators, utility value, should be known by September. Also, by the end of September, it should be known if additional furlough days or a combination of other budget reductions is to be recommended.

VII. BUILDING FUND

County building fund requests for FY2010-2011 were \$285,863. This was reduced to \$191,668. A full list of the annual projects is listed in **Appendix F, Building Fund**.

Due to the economic crisis, the current 2.1 cents property tax set aside to the Building Fund is recommended to be reduced in this budget to 1.6 cents. This reduces the building fund property tax revenue by \$275,408 in FY2010-2011.

A five year projection of the building fund is in the chart below. The chart assumes a 1.6 cents property tax set aside beginning July 1, 2010.

RUTHERFORD COUNTY BUILDING CASH PROJECTION FISCAL YEARS 2009 TO 2015 (Does not include \$500,000 PARTF Grant for Daniel Road Project)			
Fund Balance 6/30/09		Building Cash Available 6/30/12	
	\$ 961,312		\$ 1,346,018
FY 09-10 Sales Tax	\$ 917,219	FY 12-13 Sales Tax	\$ 840,643
FY 09-10 Property Tax	\$ 1,157,770	FY 12-13 Property Tax	\$ 898,930
Contribution from Court Facilities	\$ 46,367	FY 12-13 Annual Projects	\$ (386,750)
FY 09-10 Annual Projects	\$ (353,061)	Airport Grant Match	\$ (16,668)
Airport Grant Match	\$ (102,918)	Interest Earned	\$ 33,651
Interest Earned	\$ 8,378	FY 12-13 Existing Debt Service	\$ (1,314,845)
FY 09-10 Debt Service	\$ (1,376,415)	FY 12-13 New Debt Service	\$ (292,646)
Cont from Health Dept	\$ 60,128		
Building Cash Available 6/30/10		Building Cash Available 6/30/13	
	\$ 1,318,780		\$ 1,108,333
FY 10-11 Sales Tax	\$ 808,000	FY 13-14 Sales Tax	\$ 857,456
FY 10-11 Property Tax	\$ 881,304	FY 13-14 Property Tax	\$ 916,909
FY 10-11 Annual Projects	\$ (175,000)	FY 13-14 Annual Projects	\$ (398,853)
Airport Grant Match	\$ (16,668)	Airport Grant Match	\$ (16,668)
Interest Earned	\$ 10,081	Interest Earned	\$ 27,708
Close out \$3.25 Construction Esc	\$ 160,000	FY 13-14 Existing Debt Service	\$ (1,297,258)
FY 10-11 Existing Debt Service	\$ (1,357,789)	FY 13-14 New Debt Service	\$ (284,396)
Building Cash Available 6/30/11		Building Cash Available 6/30/14	
	\$ 1,628,708		\$ 913,231
FY 11-12 Sales Tax	\$ 824,160	FY 14-15 Sales Tax	\$ 874,605

FY 11-12 Property Tax	\$ 881,304	FY 14-15 Property Tax	\$ 935,247
FY 11-12 Annual Projects	\$ (375,000)	FY 14-15 Expense	\$ (411,318)
Airport Grant Match	\$ (16,668)	Airport Grant Match	\$ (16,668)
Interest Earned	\$ 40,717	Interest Earned	\$ 22,831
FY 11-12 Existing Debt		FY 14-15 Existing Debt	
Service	\$ (1,336,307)	Service	\$ (1,273,546)
FY 11-12 New Debt Service	\$ (300,896)	FY 14-15 New Debt Service	\$ (276,146)
Building Cash Available		Building Cash Available	
6/30/12	\$ 1,346,018	6/30/15	\$ 768,236

In the fall of 2007 a Long Range Building Study was presented to County Commissioners. In August, 2008, Commissioners approved certain projects to move forward. Those projects are listed in **Appendix F, Building Fund**. In November 2008, Commissioners put all the projects on hold with the exception of completing the offsite storage building and the health department addition because of the economic conditions. Those delayed projects, with the exception of planning and budgets are also included in **Appendix F, Building Fund**. The Board did state that the county could continue to plan these projects. Initial planning normally consists of professional services whereby schematic drawings and other preliminary work is completed. This phase of the project design represents approximately 2% of a project's cost and this \$126,281 was approved in the FY2009-2010 budget.

The county is continuing to explore the road and grading costs in the Daniel Road project see **Appendix G, Professional Services on Daniel Road Project**. This also includes some historical information. In addition, we are continuing to monitor sales tax and property tax as these are the principle sources of funding for building projects.

Based on the reduction of the 2.1 cents property tax to 1.6 cents of property tax to the building fund, the ability of the fund is diminished. Based on the current estimates, \$2.75 million of projects could be financed. If a project is financed in the fall of 2010 and the county is able to reimburse itself the remaining \$2,231,554 of Daniel Road Property, the forecast of future financings could change. In addition, at least one organization has raised funds. The Community Pet Center has dollars dedicated for capital expense. Also, grant dollars might be available for part of the cost of the farmer's market. If the new access road into the property is constructed, several lots of significant value could be available for sale.

The following chart gives estimates on building projects. Based on current estimates, \$2.75 million of projects could be funded.

2010 BUILDING PROJECTS

Project Name	2007 Estimated Cost	2009 Estimated Cost	2009 Planning Budget	Project Completion Budget
Animal Shelter	\$1,545,264	\$1,639,369 reduced to \$1,200,000	\$32,787	\$1,167,213
Farmer's Market	956,800	1,015,069	20,301	994,768
Livestock Arena (Phase One)	750,000	795,675	15,913	779,762
Offside Disaster	558,000	591,982	11,839	580,143
EMS Henrietta	558,000	591,982	11,839	580,143
Parking Third Street		60,000	(2) 65,000	65,000
Park Upgrade (Ray Henson (Cliffside)Phase I	1,250,000	1,300,000	26,000	1,274,000

Frank West (Caroleen) Phase 1 Shiloh Park Bechtler Mint Site Broad River Paddle Trail Phase 1				
Daniel Road Property Road Construction			7,600	
Contingency 10%		1,528,482		
Total	14,186,064	16,813,301	5,670,325	126,281

VIII. SCHOOL CAPITAL RESERVE FUND

Sales tax, corporate income tax, (ADM funds) and lottery funds are the three main sources of revenue for the Schools Capital Reserve Fund. County staff has updated projections for this fund over the past year to reflect the drastic decline in sales tax that we began to see with our January 2009 sales tax distribution due to the economic downturn. The Article 40 and 42 sales taxes, which are based on the statewide economy and fund the Schools Capital Reserve Fund, declined 12.8% (approximately \$800,000) from FY2007-2008 to FY2008-2009 due solely to the economy followed by a 6.9% decline due solely to the economy in the following year (FY2009-2010). We expect these two articles to remain relatively flat in FY2010-2011. This fund had historically experienced a 4% average annual increase in sales tax.

Not only has the Schools Capital Reserve Fund had a declining sales tax revenue stream in the past year, but also the State's 2009-2011 biennial budget redirects county ADM funds to the State reducing the County's revenues for this fund by an additional \$828,022.

On May 4, 2009, County Commissioners and the School Board discussed the current financial status of the School Capital Reserve Fund. It was reported, at that time, that the fund could potentially reach a deficit of \$2 million dollars. At that meeting it was discussed that the schools would decrease their annual maintenance capital expense. In addition, due to the decline of sales tax and the loss of ADM funds from the State for at least two years, the Schools scaled back their request for Phase 3 of their technology plan from \$1 million to \$500,000 which will be used to purchase Promethean Interactive Whiteboard systems for approximately 100+ classrooms.

The Schools Capital Reserve Fund is currently expected to begin to go in the negative before the end of FY2010-2011 and ultimately reach a negative balance of \$2 million before the end of FY2013-2014. The County and Schools agreed to split the amount needed to shore up the Fund, if necessary, by making a loan to the fund which would be paid off in future years. County funds could come from either general fund balance or another capital reserve fund. As the county did when we borrowed funds for the Mako property, we borrowed from the Solid Waste fund and are paying that fund back with interest.

IX. WATER AND SEWER CAPITAL RESERVE FUND

Seven percent of the Article 39 one-cent sales tax and tap fees are the two main sources of revenue of the Water and Sewer Capital Reserve Fund. Current projections for this fund include the May 2010 issuance of \$1.5 million in two-thirds GO Bonds for a 15 year term.

The projections include this at a rate of 4.53%. The Water and Sewer Fund Balance is projected to be at a low of \$426,176 in FY2020-2021. **Appendix H, Water and Sewer Fund Financial Report and Project Status** provides a summary of the fund financial status and a perspective on the fund's projects.

X. EQUIPMENT AND VEHICLE LEASE PURCHASE

The list of equipment and vehicles requested are in **Appendix I, Equipment and Vehicle Lease Purchase**. Requests total \$2,036,951 and \$711,084 is recommended. A more detailed explanation for many equipment items appears in the Department Information Book. For the recommended list of equipment and vehicles, there is 5 months of debt service budgeted in FY2010-2011 which totals \$87,714. The debt service is budgeted at 5% on \$362,677 for 36 months and at 5% on \$348,407 (DSS software) for 59 months with payments starting in February 2011.

The largest items in this year's lease purchase recommendation are vehicles and vehicle equipment for the sheriff's department (\$168,510), hardware and/or software for Information Technology (\$100,000), a vehicle for Animal Control (\$26,297), a new mower for Maintenance (\$19,275) and DSS software (\$348,407). Other smaller items are budgeted and listed in the **Appendix I**. The Sheriff's Department also provided mileage justification that is included in **Appendix I, Equipment and Lease Purchase**. This year's recommendation is a substantial reduction compared to previous years with the exception of last year. For example, the FY2008-2009 amended county budget included \$1,519,638 for equipment/vehicles. This large reduction is a reflection of the economic conditions.

XI. ZERO BASED BUDGETING

During budget formulation for FY2010-2011, county departments were asked to prepare itemized and prioritized lists for travel and training, professional services, and part time salaries. Those can be found in individual department's budgets. **Appendix J, Zero Based Budgeting** lists those summary sheets for the above items.

Finally, every incremental expansion of county government each year is handled on a zero based budget basis.

XII. STATISTICAL PROFILE OF RUTHERFORD COUNTY BUDGET AND TAX RATE

A full detailed report from the North Carolina Association of County Commissioners entitled Budget Tax Survey 2009-2010 is attached in **Appendix K Statistical Profile of Rutherford County Budget and Tax Rate**.

These 2009-2010 selected examples from that survey offer a statistical glimpse of Rutherford County based on a statewide comparison with other counties. A brief analysis of these charts shows Rutherford County ranks 62 in population with 63,520 people. The county's number of employees ranked 48 with 411 employees and budgeted expenditures rank 54 with \$56,896,365. The county's population rank (62) is 14 and 8 places higher than employees and expenditures respectively.

The county's tax rate of .53 is lower than the statewide average of .56. The county's valuation per capita \$93,111 is lower than the state average \$108,564 and tax levy per capita \$493 to \$584.

Rutherford County's current expense/ADM ranks 46 of 100 counties and is \$130 dollars below the state average. When the Total School Resources ADM is reviewed, Rutherford County ranks 49

and is within \$257 of the state average. This is a reflection of the aggressive building program under- taken jointly by the county and the school system.

<u>Population</u>		
Name of County	Number	Rank out of 100
Tyrell	4,280	1
Rutherford	63,520	62
Mecklenburg	877,007	100
Average	92,270	

<u>Employees</u>		
Tyrell	58	1
Rutherford	411	48
Mecklenburg	4,968	100
Average	650	

<u>Budgeted Expenditure 2007-2008</u>		
Tyrell	\$ 5,861,200	1
Rutherford	56,896,365	54
Mecklenburg	1,420,450,875	100
Average	106,633,228	

<u>Tax Rate</u>		
Carteret	.23	1
Rutherford	.53	29
Scotland	1.02	100
Average	.56	

<u>Valuation per capita</u>		
Robeson	40,670	1
Rutherford	93,111	58
Dare	517,597	100
Average	108,564	

<u>Tax Levy per Capita</u>		
Swain	296	1
Rutherford	493	45
Dare	1.346	100
Average	584	

<u>Local School System County Current Expense</u>		
Tyrrell	537,320	1
Rutherford	12,146,850	57
Mecklenburg	317,367,391	100
Average	24,507,601	

<u>Current Expense/ADM</u>		
Madison	370	1
Rutherford	1329	46

Dare	3930	100
Average	1459	
<u>Total School Resources of ADM</u>		
Madison	535	1
Rutherford	1876	49
Dare	6619	100
Average	2133	

XIII. TEN COUNTY DEPARTMENTAL SURVEY

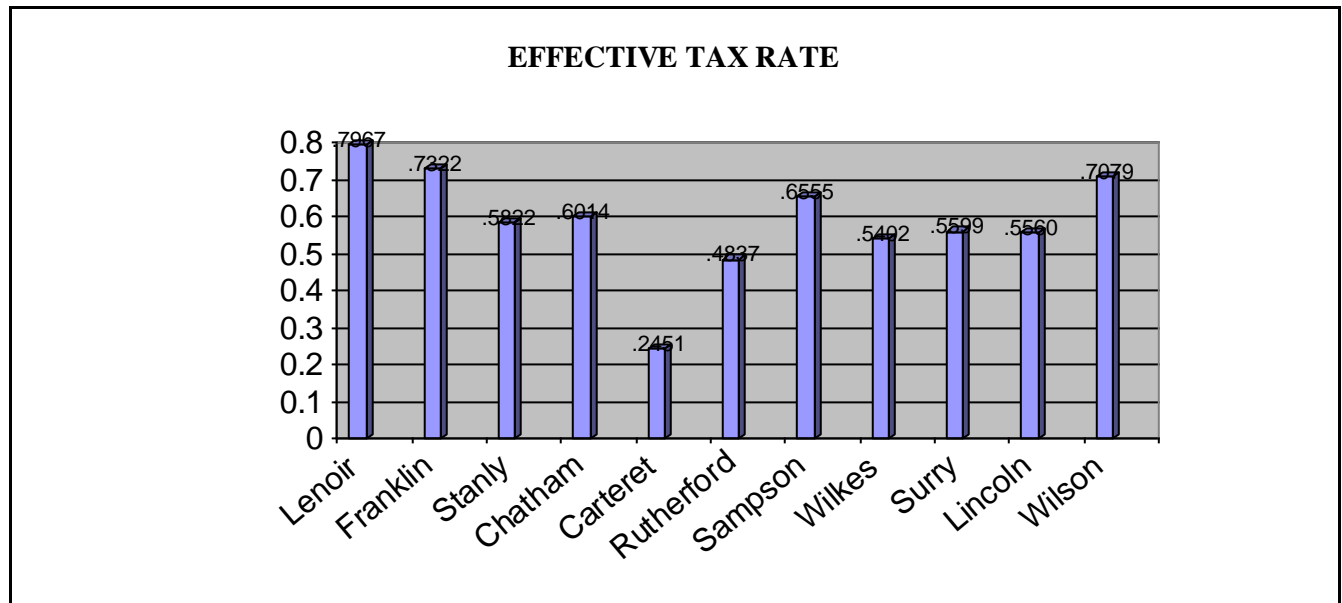
The following chart represents the ten counties--five above and five below Rutherford County in population and their respective number of employees in total and per thousand population. Rutherford County has 411 full time employees or 6.47 per 1,000 people. In total number or employees per 1000 population, Rutherford County's 6.47 is well below the mean (8.29) and median (7.41) of the ten counties surveyed. For the purpose of our survey we did not include employees of the Health Department, who would have been included if it was a single county department. Also some counties have departments such as utilities which did not correspond to ours which can skew results. The total number of full time employees for the ten counties surveyed is as follows:

COUNTY EMPLOYEES

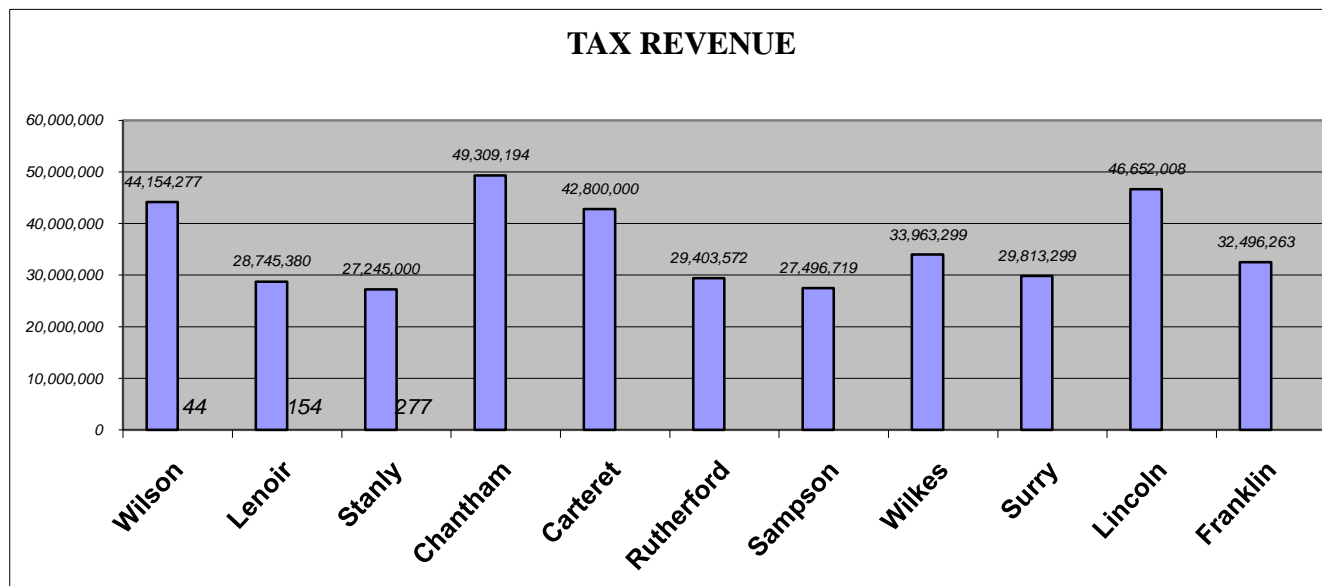
	Population	# of Employees	Employees /1,000 in population	Effective Tax Rate	Property Tax Revenue	Tax Per Capita
Lenoir	57,521	485	8.43	.7967	28,745,380	529
Franklin	57,923	470	8.11	.7322	32,496,263	587
Stanly	59,714	450	7.54	.5822	27,245,000	475
Chatham	60,881	439	7.21	.6014	49,309,194	835
Carteret	63,520	433	6.82	.2451	42,800,000	712
Rutherford	63,555	411	6.47	.4837	29,403,572	493
Sampson	65,396	677	10.68	.6555	27,496,719	443
Wilkes	67,297	550	8.17	.5402	33,963,793	522
Surry	73,388	613	8.35	.5599	29,813,299	423
Lincoln	74,538	752	10.09	.5560	46,652,008	653
Wilson	78,917	745	9.44	.7079	44,154,277	508

Three (3) other key factors on budget and tax are presented for your review-- effective tax rate, property tax revenue and tax levy per capita. These numbers were taken from the North Carolina Association of County Commissioners Final 2009-2010 Budget and Tax Survey Information. The report is also compiled from the information in **Appendix K, Statistical Profile of Rutherford County Budget and Tax Rate.**

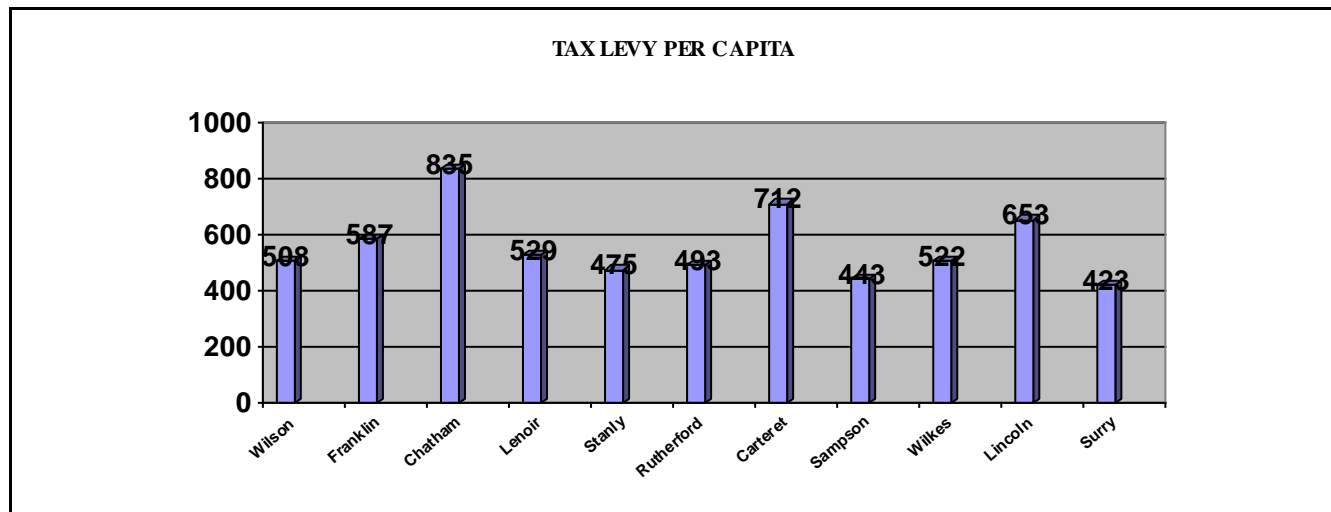
We compare the effective tax rate per \$100 of the eleven counties by multiplying the actual tax rate times the corresponding sales assessment ratio. Actual tax rates and sales assessment ratios are found in **Appendix K, Statistical Profile of Rutherford County Budget and Tax Rate**. Using this formula we compared Rutherford County to the ten counties in our survey and find that Rutherford County has the second lowest effective tax rate of the eleven counties in our survey. The mean average tax rate for the eleven counties is .5873 and the median is .5822.



The next analysis in this section is the property tax revenue and tax per capita. Rutherford County's property tax revenue is the fourth lowest of the eleven counties at \$29,403,572 and below the mean value (\$35,643,591) and the median value (\$32,496,263).



Rutherford County's property tax levy per capita (\$493) is below the median of 522 of the eleven counties. Rutherford County is also below the mean of 561.



XIV. FY2010-2011 GENERAL FUND REVENUE AND EXPENSE BY DEPARTMENT

GENERAL FUND REVENUE AND EXPENSE BY DEPARTMENT				
FISCAL YEAR 2010-2011				
			OTHER	COUNTY
DEPARTMENT	EXPENSE		REVENUE	REVENUE
GOVERNING BODY	300,329			300,329
SPECIAL APPROPRIATIONS				
RETIRED EMPLOYEES INS	4,000			4,000
COMMUNITY CLINIC	5,250			
JCPC PSYCH SVS	7,690		6,408	1,282
JCPC OTHER	153,107		153,107	0
CJPP	93,136		93,136	0
TRAFFIC CONTROL	7,090			7,090
FARM MUSEUM	4,000			4,000
WESTERN NC COMMUNITIES	2,500			2,500
RUTHERFORD SEARCH & RESCUE	1,147			1,147
IPDC DUES	12,809			12,809
VOLUNTEER RUTHERFORD	800			800
BEAVER MANAGEMENT	4,000			4,000
GENEALOGICAL SOCIETY	4,800			4,800
RUTHERFORD RESCUE OPERATIONS	40,777			40,777
HICKORY NUT OPERATIONS	95,526			95,526
HICKORY NUT RESCUE CAP	20,000			20,000
VOL LIFE SAVING OPERATIONS	33,700			33,700
VOL LIFE SAVING CAP	13,982			13,982
RUTHERFORD RESCUE CAPITAL	8,000			8,000

RUTHERFORD CO AIR RESCUE	5,636			5,636
			OTHER	COUNTY
DEPARTMENT	EXPENSE		REVENUE	REVENUE
BECHTLER DOCUMENTARY	5,000			5,000
CLIFFSIDE SANITARY	61,296			61,296
RURAL DEVELOPMENT	2,700			2,700
GRASSROOTS ARTS STATE GRANT	19,488		19,488	0
COUNTY HISTORIANS	6,000			6,000
INSURANCE POOL	200,000			200,000
JCPC ADMIN	5,582		5,582	0
INDIRECT COSTS OTHER FUNDS	-99,362			-99,362
COUNTY MANAGER	152,890			152,890
HUMAN RESOURCES	124,968			124,968
FINANCE	388,902			388,902
TAX SUPERVISOR	683,513		6,000	677,513
TAX GIS/MAPPING	251,142		1,000	
TAX COLLECTOR	352,449		105,000	247,449
LEGAL	75,000			75,000
COURT FACILITY	110,034		110,000	34
BOARD OF ELECTIONS	230,569		0	230,569
REGISTER OF DEEDS	248,792		449,280	-200,488
INFORMATION TECHNOLOGY	854,230		72,830	781,400
GARAGE	114,346			114,346
MAINTENANCE ADMIN	779,631			779,631
BUILDINGS	814,311		289,275	525,036
SHERIFF	4,856,750		230,204	4,626,546
ICC SECURITY OFFICER	116,943		120,000	-3,057
DETENTION CENTER	2,269,757		338,000	1,931,757
COMMUNICATIONS	1,133,455		90,000	1,043,455
BUILDING INSPECTOR	419,829		258,450	161,379
CORONER	49,000			49,000
EMERGENCY SERVICES	2,583,852		2,057,000	526,852
ANIMAL CONTROL	221,102		25,300	195,802
AIRPORT	94,205		14,150	80,055
WATERSHED	16,115			16,115
FORESTRY	83,375			83,375
ECONOMIC DEVELOPMENT	1,172,935		5,166	1,167,769
COOPERATIVE EXTENSION	213,925			213,925
FARMERS MARKET	3,454			3,454
SOIL & WATER	106,482		26,000	80,482
HEALTH DEPT	273,686			273,686
MENTAL HEALTH	111,168		12,000	99,168
SENIOR CENTER	231,541		134,795	96,746
HOME DELIVERED MEALS	140,323		103,044	37,279
CONGREGATE MEALS	280,790		194,479	86,311
HEALTH SCREENING	22,261		8,352	13,909
UNITED WAY MEALS	28,000		28,000	0
VETERANS	72,368		2,000	70,368
PUBLIC SCHOOLS	11,995,014			11,995,014
SCHOOLS BLDG FUND	105,000		105,000	0
COMMUNITY COLLEGE	1,888,806			1,888,806
LIBRARY	556,490		144,601	411,889

ARTS PARKS AND RECREATION	66,909			66,909
DEBT SVS CAP LEASES	1,603,295		552,587	1,050,708
TRANS TO SCHOOL CAP RES	3,585,500		3,585,500	0
TRANS TO REVALUATION RES	110,000			110,000
TRANS TO COUNTY BLDG RES PROP TX	881,304		881,304	0
TRANS TO COUNTY BLDG RES SALES TX	808,000		808,000	0
TRANS TO ROD AUTOMATION FUND	49,920		49,920	0
TRANS TO DSS FUND	3,575,300			3,575,300
TRANS TO ICC CAP RES FD	151,500		151,500	0
TRANS TO WATER/SEWER FUND	267,400		267,400	0
CONTINGENCY 3 DAY FURLOUGH	-135,000			-135,000
CONTINGENCY 1.25% 401K REDUCTION	-100,000			-100,000
AD VALOREM TAX			29,650,405	-29,650,405
INTEREST ON INVESTMENTS			150,000	-150,000
CABLE TV FRANCHISE FEES			45,500	-45,500
SALES TAX			3,552,600	-3,552,600
VEHICLE RENTAL TAX			12,500	-12,500
RENTS			3,000	-3,000
SALE OF COUNTY PROPERTY			60,000	-60,000
MISC REVENUE			36,800	-36,800
CAPITAL LEASES			362,677	-362,677
FUND BALANCE APPROPRIATED			733,174	-733,174
TOTALS	46,110,514		46,110,514	-255,392
DSS FEDERAL/STATE REVENUE EXPENSE	8,852,098		8,852,098	
GRAND TOTALS	54,962,612		54,962,612	

XV. RECOMMENDED FY2010-2011 GENERAL FUND REVENUES

RECOMMENDED FY 2010-11 GENERAL FUND REVENUE

REVENUE SOURCE	FY 2009-10 AMENDED BUDGET	FY 2009-10 ESTIMATED REVENUE	FY 2010-11 RECOMMENDED BUDGET
PENALTIES & INTEREST	287,500	284,500	288,500
PRIOR YEAR TAX	950,000	1,050,000	1,050,000
CURRENT YEAR TAX	29,363,572	29,219,900	29,193,209
1% SALES TAX	4,200,000	4,300,000	4,300,000
ART 44 HOLD HARMLESS	-395,000	-420,000	-480,000
1/2% SALES TAX (ART 40)	2,795,220	2,500,000	2,525,000
1/2% SALES TAX (ART 42)	2,362,225	2,150,000	2,100,000
ART 42 HOLD HARMLESS	-90,000	-50,000	-80,000
ADDITIONAL 1/2% SALES TAX (ART 44)	215,000	214,059	0
RENTAL VEHICLE GROSS RECEIPTS	12,500	12,500	12,500
REG OF DEEDS EXCISE STAMPS	208,000	171,600	187,200
ABC BOTTLE TAX	12,000	12,000	12,000
COURT JAIL FEES	40,500	70,000	60,000
DUI SAFE ROADS ACT	7,000	6,000	6,000
COURT OFFICER FEES	31,500	27,000	25,000
COURT FACILITY FEES	160,000	120,000	110,000
COURT FACILITIES RENT	5,900	1,800	0
COURTS PROC FEES CV	27,000	20,000	20,000
COURTS - MISC FEES/REVENUES	17,274	17,274	0

	FY 2009-10 AMENDED	FY 2009-10 ESTIMATED	FY 2010-11 RECOMMENDED
NC DEPT OF CORRECTIONS	40,000	110,000	110,000
JAIL TELEPHONE	35,000	35,000	35,000
DETENTION FEES-OTHER COUNTIES	240,000	180,000	180,000
MARRIAGE LICENSE	12,000	12,000	12,000
INSPECTION FEES	298,500	248,900	248,900
INSPECTION OTHER REVENUES	4,000	1,500	2,000
FIRE INSPECTION FEES	7,000	7,000	7,000
WATERSHED FEE	500	200	300
PLAN REVIEW FEES	4,000	250	250
MAP SALES	10,000	5,000	6,000
SALE OF COUNTY PROPERTY	15,000	40,000	60,000
ELECTIONS	23,683	33,773	0
REG OF DEEDS OTHER REV	325,000	300,000	300,000
DATA PROCESSING SERVICES	51,000	48,000	51,000
DSS IT CONTRACT	47,925	49,786	51,830
RUTHERFORD CENTER REVENUES	76,863	72,889	114,274
SHERIFF DEPT RECEIPTS	363,173	372,363	272,204
EMG MANAGEMENT	18,000	29,248	29,500
EMP GRANT	8,764	8,764	0
EMS BILLINGS	1,904,000	1,877,000	2,027,500
ANIMAL CONTROL	29,500	26,810	25,300
AIRPORT FUEL SALES	175,058	140,000	0
SOIL & WATER	25,800	26,800	26,000
FARM CITY DONATIONS	450	450	0
SENIOR CENTER TITLE III	101,871	101,871	101,871
SENIOR CENTER STATE GRANT	0	2,724	3,125
DONATIONS	100	9,358	8,025
UNITED WAY HOME DEL MEALS	12,500	12,500	28,000
SENIOR CENTER OUTREACH	1,176	1,176	0
MEDICARE EDUCATION GRANT	2,754	2,754	0
HOME DELIVERED MEALS	110,636	109,532	103,044
CONGREGATE MEALS	220,433	215,653	194,479
SEN CTR HEALTH SCREENING	8,240	8,372	8,352
VETERANS OFFICE	2,000	2,000	2,000
CRIMINAL JUSTICE PARTNERSHIP	93,136	93,136	93,136
JCPC	190,097	188,029	165,097
LIBRARY	177,601	180,500	144,601
INTEREST ON INVESTMENTS	125,000	145,000	150,000
911 MONITORING FEE	70,000	80,000	70,000
CABLE TV FRANCHISE FEES	44,000	45,500	45,500
RENTS OTHER	3,200	3,200	3,000
RENTS AIRPORT	14,796	13,000	9,800
RENT HOUSE AIRPORT	2,400	2,600	0
TIE DOWN RENT COMMISSIONS	6,000	1,300	0
AVIATION FUEL COMMISSION	2,000	296	4,350
GRASSROOTS STATE GRANT	19,920	19,920	19,488
MISC REVENUE	112,329	143,662	104,957
CAPITAL LEASES	0	0	362,677
TRANSFER FROM 911	10,060	15,000	20,000
CONTRIBUTION ICC CAP RES	124,158	124,158	0
CONTRIBUTION SCHOOL CAP RES	100,000	100,000	105,000

CONTRIBUTION BUILDING RESERVE	193,490	193,490	175,001
CONTRIBUTION CONTRACTED FIRE	7,633	7,633	0
TRANSFER SCH CAP RES TECHNOLOGY	454,663	454,663	545,596
FUND BALANCE	2,691,561	1,766,642	733,174
COURT FACILITIES FUND BALANCE	43,758	53,057	0
TOTAL GENERAL FUND	48,890,516	47,448,689	46,110,514
DSS FEDERAL/STATE REVENUE	9,914,812	8,753,424	8,852,098
GRAND TOTAL BOTH FUNDS	58,805,328	56,202,113	54,962,612

XVI. RECOMMENDED FY2010-2011 GENERAL FUND EXPENDITURES

RECOMMENDED FY 2010-2011 GENERAL FUND EXPENDITURES				
	FY 2009-10	FY 2009-10	FY 2010-11	FY 2010-11
	Original Budget	Amended Budget	Requested Budget	Recommended Budget
GOVERNING BODY				
SALARY/BENEFITS	207,204	211,148	217,379	217,379
OPERATING	83,450	82,950	82,950	82,950
CAPITAL	3,184	3,184		
TOTAL	293,838	297,282	300,329	300,329
SPECIAL APPROPRIATIONS				
RETIRED EMPLOYEES INSURANCE	4,000	4,000	4,000	4,000
COMMUNITY CLINIC OF RUTHERFORD CO	10,000	10,000	10,000	5,250
JCPC PSYCHOLOGICAL SVS TO COURT	8,184	7,690	7,690	7,690
FOOTHILLS CONNECT	-	-	100,000	-
JCPC (ALL RECIPIENT AGENCIES)	166,823	153,107	153,107	153,107
CRIMINAL JUSTICE PARTNERSHIP PROG	88,651	93,136	93,136	93,136
JCPC BYRNE/JAG GANG PREV UNITED WAY		25,000		
RUTHERFORD COUNTY TRAFFIC CONTROL	7,303	7,303	7,296	7,090
UPPER BROAD RIVER WATERSHED PROTECTION	-	-	-	-

	FY 2009-10	FY 2009-10	FY 2010-11	FY 2010-11
	Original	Amended	Requested	Recommended
	Budget	Budget	Budget	Budget
PRESERVATION NC (09-10 LAST YEAR)	5,000	5,000	-	-
FARM MUSEUM ALLOCATION	4,000	4,000	4,000	4,000
WESTERN NC COMMUNITIES	2,500	2,500	2,500	2,500
RUTHERFORD SEARCH & RESCUE	1,200	1,200	3,000	1,147
FUTURE FORWARD	-	-	-	-
IPDC HOUSING PROGRAM	-	-	-	-
IPDC DUES	12,655	12,655	12,809	12,809
VOLUNTEER RUTHERFORD	800	800	1,000	800
BEAVER MANAGEMENT PROGRAM	4,000	4,000	4,000	4,000
FOOTHILLS CONSERVANCY OF NC	1,250	1,250	-	-
GENEALOGICAL SOCIETY OF OLD TRYON	4,800	4,800	4,800	4,800
RUTHERFORD RESCUE OPERATIONS	41,000	41,000	43,000	40,777
RUTHERFORD RESCUE CAPITAL	19,979	19,979	8,000	8,000
HNG OPERATIONS	98,392	98,392	152,168	95,526
HNG CAPITAL	20,000	20,000	36,000	20,000
VOLUNTEER LIFESAVING OPERATIONS	33,700	33,700	53,000	33,700
VOLUNTEER LIFESAVING CAPITAL	13,982	13,982	16,091	13,982
RUTHERFORD CO AIR RESCUE	6,000	6,000	6,000	5,636
BECHTLER MINING DOCUMENTARY	5,000	5,000	5,000	5,000
04-05 CULTURAL RESOURCES GRANT	-	822	-	-
STATE GRANT 225 YR ANNIVERSARY	-	635	-	-
ELLENBORO DEPOT				
CLIFFSIDE CLOCK REPAIRS	-	-	-	-
UNION MILLS LEARNING CENTER	-	-	-	-
PEARIDGE RURITAN CLUB	4,000	4,000	-	-
CONT TO CLIFFSIDE SANITARY	61,296	61,296	61,296	61,296
COPS ADMINISTRATIVE FEE	-	-	-	-

	FY 2009-10	FY 2009-10	FY 2010-11	FY 2010-11
	Original	Amended	Requested	Recommended
	Budget	Budget	Budget	Budget
RURAL DEVELOPMENT	2,700	2,700	3,200	2,700
COUNTY HISTORIANS	6,000	6,000	6,000	6,000
INSURANCE POOL	383,949	369,165	200,000	200,000
JCPC ADMINISTRATION	5,875	5,582	5,582	5,582
GRASSROOTS ST GRANT (PASS THROUGH)	19,920	19,920	19,488	19,488
INDIRECT COSTS FROM OTHER FUNDS	(99,362)	(99,362)	(99,362)	(99,362)
TOTAL	943,597	945,252	922,801	718,654
COUNTY MANAGER				
SALARY/BENEFITS	142,633	141,714	146,104	146,104
OPERATING	7,286	6,786	6,786	6,786
CAPITAL	-	-	-	-
TOTAL	149,919	148,500	152,890	152,890
HUMAN RESOURCES				
SALARY/BENEFITS	118,205	112,005	115,128	114,928
OPERATING	15,307	12,957	11,604	10,040
CAPITAL	-	-	-	-
TOTAL	133,512	124,962	126,732	124,968
FINANCE				
SALARY/BENEFITS	306,759	304,768	314,718	314,718
OPERATING	82,945	80,513	83,984	74,184
CAPITAL	-	-	-	-
TOTAL	389,704	385,281	398,702	388,902
TAX SUPERVISOR				
SALARY/BENEFITS	570,226	523,034	640,519	551,415
OPERATING	139,205	139,205	141,398	132,098
CAPITAL	-	-	-	-
TOTAL	709,431	662,239	781,917	683,513

	FY 2009-10	FY 2009-10	FY 2010-11	FY 2010-11
	Original Budget	Amended Budget	Requested Budget	Recommended Budget
TAX GIS/MAPPING				
SALARY/BENEFITS			185,435	185,435
OPERATING			65,707	65,707
CAPITAL			-	-
TOTAL			251,142	251,142
TAX COLLECTOR				
SALARY/BENEFITS	282,734	314,815	316,729	316,729
OPERATING	32,165	32,165	35,720	35,720
CAPITAL	-	-	-	-
TOTAL	314,899	346,980	352,449	352,449
LEGAL	75,000	75,000	75,000	75,000
COURT FACILITY	187,240	224,545	110,034	110,034
BOARD OF ELECTIONS				
SALARY/BENEFITS	188,169	187,247	192,757	192,757
OPERATING	57,246	63,929	39,112	37,812
CAPITAL	-	-	-	-
TOTAL	245,415	251,176	231,869	230,569
REGISTER OF DEEDS				
SALARY/BENEFITS	219,723	217,167	244,231	198,527
OPERATING	53,365	53,365	53,265	50,265
CAPITAL	-	-	-	-
TOTAL	273,088	270,532	297,496	248,792
INFORMATION TECHNOLOGY				
SALARY/BENEFITS	323,368	321,120	388,244	331,619
OPERATING	400,742	396,742	422,611	422,611
CAPITAL	-	361,468	1,059,623	100,000

	FY 2009-10	FY 2009-10	FY 2010-11	FY 2010-11
	Original Budget	Amended Budget	Requested Budget	Recommended Budget
TOTAL	724,110	1,079,330	1,870,478	854,230
GARAGE				
SALARY/BENEFITS	101,869	101,239	104,457	104,457
OPERATING	10,582	6,582	16,624	9,889
CAPITAL	-	-	-	-
TOTAL	112,451	107,821	121,081	114,346
MAINTENANCE ADMINISTRATION				
SALARY/BENEFITS	687,755	683,594	768,520	678,396
OPERATING	77,613	78,882	89,460	81,960
CAPITAL	-	-	71,519	19,275
TOTAL	765,368	762,476	929,499	779,631
BUILDINGS				
OPERATING	625,787	625,858	677,135	639,310
CAPITAL	137,400	193,490	269,196	175,001
TOTAL	763,187	819,348	946,331	814,311
SHERIFF				
SALARY/BENEFITS	4,000,190	3,974,079	4,151,458	4,126,458
OPERATING	517,234	651,790	567,165	561,782
CAPITAL	276,274	241,324	168,510	168,510
TOTAL	4,793,698	4,867,193	4,887,133	4,856,750
ICC SECURITY OFFICER				
SALARY/BENEFITS	45,678	103,364	105,793	105,793
OPERATING	3,315	11,511	11,150	11,150
CAPITAL	-	-	-	-
TOTAL	48,993	114,875	116,943	116,943

	FY 2009-10	FY 2009-10	FY 2010-11	FY 2010-11
	Original Budget	Amended Budget	Requested Budget	Recommended Budget
DETENTION CENTER				
SALARY/BENEFITS	1,791,037	1,783,366	1,834,661	1,825,584
OPERATING	444,073	444,073	444,173	444,173
CAPITAL	10,250	10,250	-	-
TOTAL	2,245,360	2,237,689	2,278,834	2,269,757
COMMUNICATIONS				
SALARY/BENEFITS	897,408	892,943	945,713	938,065
OPERATING	150,296	160,016	171,945	162,045
CAPITAL	18,076	19,404	39,281	33,345
TOTAL	1,065,780	1,072,363	1,156,939	1,133,455
BUILDING INSPECTOR				
SALARY/BENEFITS	496,368	492,910	481,325	388,186
OPERATING	35,315	33,165	33,143	31,643
CAPITAL	-	-	-	-
TOTAL	531,683	526,075	514,468	419,829
MEDICAL EXAMINER/CORONER	50,400	50,400	50,400	49,000
EMERGENCY SERVICES				
SALARY/BENEFITS	2,222,371	2,218,793	2,457,484	2,279,840
OPERATING	282,612	291,376	334,714	304,012
CAPITAL	-	266,387	298,424	-
TOTAL	2,504,983	2,776,556	3,090,622	2,583,852
ANIMAL CONTROL				
SALARY/BENEFITS	127,005	132,057	130,796	130,796
OPERATING	52,974	52,974	56,259	56,259
CAPITAL	700	700	35,687	34,047
TOTAL	180,679	185,731	222,742	221,102

AIRPORT				
SALARY/BENEFITS	-	-	-	-
	FY 2009-10	FY 2009-10	FY 2010-11	FY 2010-11
	Original Budget	Amended Budget	Requested Budget	Recommended Budget
OPERATING	83,026	276,784	94,955	92,705
CAPITAL	-	1,500	1,500	1,500
TOTAL	83,026	278,284	96,455	94,205
WATERSHED				
OPERATING	21,115	21,115	21,115	16,115
FORESTRY	79,956	79,956	83,375	83,375
ECONOMIC DEVELOPMENT				
SALARY/BENEFITS	144,822	143,871	148,653	110,099
OPERATING	325,207	325,207	336,850	336,850
GRANT PAYMENTS	339,116	339,116	339,116	339,116
DEBT SERVICE	409,745	409,745	386,870	386,870
TOTAL	1,218,890	1,217,939	1,211,489	1,172,935
COOPERATIVE EXTENSION				
SALARY/BENEFITS	182,578	164,042	199,503	199,503
OPERATING	14,900	16,815	15,208	14,422
CAPITAL	-	-	-	-
TOTAL	197,478	180,857	214,711	213,925
FARMERS MARKET				
SALARY/BENEFITS	3,128	3,128	3,128	3,128
OPERATING	326	326	326	326
CAPITAL	-	-	-	-
TOTAL	3,454	3,454	3,454	3,454
SOIL & WATER				
SALARY/BENEFITS	87,020	86,470	89,338	89,338
OPERATING	17,944	14,646	17,144	17,144
CAPITAL	-	2,298	-	-

TOTAL	104,964	103,414	106,482	106,482
	FY 2009-10	FY 2009-10	FY 2010-11	FY 2010-11
	Original Budget	Amended Budget	Requested Budget	Recommended Budget
HEALTH DEPT	277,151	277,151	277,151	273,686
MENTAL HEALTH	111,168	111,168	111,168	111,168
CONT TO DRUG COURT	-	15,338	-	-
SENIOR CENTER				
SALARY/BENEFITS	154,764	153,988	162,263	160,597
OPERATING	71,663	77,579	65,844	63,444
CAPITAL	-	-	13,000	7,500
TOTAL	226,427	231,567	241,107	231,541
HOME DELIVERED MEALS				
SALARY/BENEFITS	57,069	56,757	63,282	59,076
OPERATING	82,573	82,573	83,523	81,247
CAPITAL	-	-	-	-
TOTAL	139,642	139,330	146,805	140,323
CONGREGATE MEALS				
SALARY/BENEFITS	134,465	133,965	144,718	140,694
OPERATING	136,122	155,633	155,523	140,096
CAPITAL	-	-	-	-
TOTAL	270,587	289,598	300,241	280,790
HEALTH SCREENING				
SALARY/BENEFITS	16,073	16,036	17,567	17,000
OPERATING	5,261	5,261	5,261	5,261
CAPITAL	-	-	-	-
TOTAL	21,334	21,297	22,828	22,261
UNITED WAY MEALS				
SALARY/BENEFITS	5,896	5,896	4,969	4,969
OPERATING	22,104	6,604	23,031	23,031

CAPITAL	-	-	-	-
TOTAL	28,000	12,500	28,000	28,000
	FY 2009-10	FY 2009-10	FY 2010-11	FY 2010-11
	Original Budget	Amended Budget	Requested Budget	Recommended Budget
VETERANS				
SALARY/BENEFITS	65,975	65,630	95,808	67,363
OPERATING	5,105	4,705	5,005	5,005
CAPITAL	-	-	-	-
TOTAL	71,080	70,335	100,813	72,368
PUBLIC SCHOOLS	12,146,850	12,146,850	12,210,246	11,995,014
SCHOOL CAPITAL OUTLAY	100,000	100,000	105,000	105,000
ISOTHERMAL COMMUNITY COLLEGE				
CURRENT EXPENSE	1,912,715	1,912,715	1,960,445	1,888,806
CAPITAL	-	124,158	-	-
TOTAL	1,912,715	2,036,873	1,960,445	1,888,806
LIBRARY				
SALARY/BENEFITS	409,763	407,422	420,209	419,606
OPERATING	86,876	103,876	79,734	78,514
CAPITAL	79,212	73,870	60,870	58,370
TOTAL	575,851	585,168	560,813	556,490
ARTS PARKS AND RECREATION				
SALARY/BENEFITS	56,041	55,677	57,459	57,459
OPERATING	22,750	21,750	22,850	9,450
CAPITAL	-	-	-	-
TOTAL	78,791	77,427	80,309	66,909
DEBT SVS CAP LEASES-COUNTY	1,621,154	1,575,508	1,003,350	1,003,350
DEBT SVS CAP LEASES-SCHOOLS	436,476	454,663	545,596	545,596
10-11 DEBT SVS			228,663	54,349
TRANS TO SCHOOL CAP RES	3,990,842	3,990,842	3,585,500	3,585,500
TRANS TO MAPPING	236,563	213,983		
TRANS TO REVALUATION RES			260,000	

	260,000	260,000		110,000
PROP TAX TRANS TO COUNTY BLDG RES	1,167,283	1,167,283	1,157,679	881,304
SALES TAX TRANS TO COUNTY BLDG RES	908,890	908,890	808,000	808,000
TRANS TO REG OF DEEDS FUND	54,500	54,500	49,920	49,920
CONTRIBUTION TO DSS	3,557,326	3,472,895	3,615,300	3,575,300
CONTRIBUTION TO GRANT FD		13,905		
TRANS TO WATER & SEWER FUND	280,350	280,350	267,400	267,400
TRANS TO ICC CAP RES	167,713	167,713	151,500	151,500
HEALTH INSURANCE CONTINGENCY	52,231	4,687	-	-
CONTINGENCY PUBLIC SAFETY FURLOUGH	-	38,620	-	-
CONTINGENCY UTILITIES	(44,550)	(44,550)		
CONTINGENCY 3 DAYS FURLOUGH				(135,000)
CONT 1.25% REDUCTION NON PUB SAFETY 401k	-		-	(100,000)
TOTAL GENERAL FUND	47,859,592	48,890,516	49,741,746	46,110,514
DSS REVENUES	9,036,773	9,914,812	8,892,098	8,852,098
TOTAL INCLUDING DSS	56,896,365	58,805,328	58,633,844	54,962,612
TOTAL SALARY/FRINGE	14,000,618	13,904,881	15,042,555	14,370,225
TOTAL OPERATING	3,963,169	4,326,202	4,260,124	4,092,856
DSS TOTAL	12,594,099	13,387,707	12,507,398	12,427,398
DEBT SVS CAP LEASES-COUNTY	2,030,899	1,985,253	1,618,883	1,444,569
TRANS TO MAPPING	236,563	213,983	-	-
EDC GRANT PAYMENTS	339,116	339,116	339,116	339,116
CONTINGENCY HEALTH INSURANCE	52,231	4,687	-	-
CONTINGENCY PUBLIC SAFETY FURLOUGH	-	38,620	-	-
CONTINGENCY 3 DAYS FURLOUGH		-		(135,000)
CONTINGENCY UTILITY REDUCTION	(44,550)	(44,550)		-
CONTRIBUTION TO GRANT FD		13,905		
CONT 1.25% REDUCTION NON PUB SAFETY 401k	-	-	-	(100,000)
TOTAL COUNTY DEPARTMENTS	33,172,145	34,169,804	33,768,076	32,439,164
PUBLIC SCHOOLS CURRENT EXPENSE	12,146,850	12,146,850	12,210,246	11,995,014

COMMUNITY COLLEGE CURRENT EXP	1,912,715	1,912,715	1,960,445	1,888,806
TRANS TO SCHOOL CAP RES	3,990,842	3,990,842	3,585,500	3,585,500
TRANS TO COUNTY BLDG RES	2,076,173	2,076,173	1,965,679	1,689,304
TRANS TO COMMUNITY COLLEGE CAP RES	167,713	167,713	151,500	151,500
ICC CAPITAL		124,158		
ICC SECURITY	48,993	114,875	116,943	116,943
DEBT SVS CAP LEASES-SCHOOLS	436,476	454,663	545,596	545,596
SPECIAL APPROPRIATIONS	943,597	945,252	922,801	718,654
COUNTY CAPITAL	525,096	1,173,875	2,017,610	597,548
PUBLIC SCHOOLS CAPITAL OUTLAY	100,000	100,000	105,000	105,000
HEALTH DEPT	277,151	277,151	277,151	273,686
TRANS TO REVALUATION RES	260,000	260,000	260,000	110,000
TRANS TO WATER & SEWER FUND	280,350	280,350	267,400	267,400
COURT FACILITIES	187,240	224,545	110,034	110,034
MENTAL HEALTH	111,168	126,506	111,168	111,168
FORESTRY	79,956	79,956	83,375	83,375
TRANS TO REG OF DEEDS FUND	54,500	54,500	49,920	49,920
LEGAL	75,000	75,000	75,000	75,000
MEDICAL EXAMINER/CORONER	50,400	50,400	50,400	49,000
TOTAL OTHER APPROPRIATIONS	9,664,655	10,575,959	10,695,077	8,639,628
GRAND TOTAL	56,896,365	58,805,328	58,633,844	54,962,612

XVII. OTHER FUNDS

NOTE: UPCOMING CHANGES TO SPECIFIC OTHER FUNDS:

It has recently been confirmed by the Local Government Commission and the UNC-Chapel Hill School of Government that the new Governmental Accounting Standard Board Statement #54 will no longer allow the reporting of Capital Reserve Funds as Special Revenue Funds. An option is to account for these funds in Capital Projects Funds which the County, with the exception of the ICC Capital set aside, already has established. In addition, based on the funding method for our Reappraisal Reserve Fund, we will need to start accounting for reappraisal in the General Fund.

County staff will keep the Board updated as we go through the budget process on how this will affect fund totals, transfers, etc. The required changes will flow through the actual FY2010-2011 Budget Ordinance that will be adopted.

County Building/School/Water and Sewer Capital Projects Funds

If the Board approves, the County Building, Schools and Water and Sewer Capital Projects unexpended FY2009-2010 balances will be re-budgeted.

Register of Deeds (ROD) Automation Enhancement Fund

The ROD Enhancement Fund was established by the General Assembly to provide a dedicated revenue source for ROD hardware and software expenses. The fund is to receive 10% of the ROD revenue. For FY2010-2011 this is estimated to be \$49,920. Estimated revenues and expenses for this fund are:

REVENUES

Transfer from General Fund	<u>\$49,920</u>
Total Revenues	\$49,920

EXPENSES

Salaries/Fringe	\$ 9,129
Reserved for future projects	<u>\$ 40,791</u>
Total Expenses	\$49,920

E-911

The revenue stream for the E911 budget comes from landline and wireless monthly charges of 70 cents and 80 cents per phone line, respectively, that the State collects from telecom companies and then distributes to eligible Public Service Access Points (PSAP) (which the County is).

The legislature enacted a statewide landline fee of 70 cents effective January 1, 2008 to replace all locally enacted landline fees. This was done in an effort to make the landline fee uniform across the State. Rutherford County's locally enacted fee had been 98 cents. From January 1, 2008 forward, all fees collected by the telecoms are submitted to the State 911 Board who then distributes the funds to the PSAPs. We have been guaranteed by the state that we will receive annually no less than what we received in FY 2006-2007, the last full fiscal year which included our locally enacted fee of 98 cents. In addition to the changes in the fees, the State 911 Board revised as recently as November 2008 the list of eligible expenditures that 911 charges may be used for. This list is much more restrictive than in the past. For example, in the past we used the 911 funds to pay for all addressing and road sign maintenance. Now road sign maintenance is no longer eligible and the only addressing charges that are eligible are those functions that are “implemental to receiving and utilizing voice and data at the appropriate PSAP”. We had also previously charged a larger portion of the GIS staff salary to 911 than we are now allowed to charge.

All PSAPs must provide annually a very detailed accounting of how 911 funds are expended. Due to the complicated technical aspects of what is considered eligible, the County Finance, GIS, IT and Communications staff met to compile a list of what we believe are eligible expenditures and have been

working closely with state 911 Board representatives to maximize the use of 911 funds available to us. The NCACC has made it a legislative goal to have the list of eligible expenditures from 911 funds expanded.

Revenues and expenditures of the E911 fund are:

REVENUES

911 Charges from State 911 Board	<u>\$546,000</u>
Total Revenues	\$546,000

EXPENSES

Salaries/Fringe	\$ 58,552
Telephone Expense	95,000
Software/Hardware Maintenance	123,038
Operations	13,600
Capital Outlay	65,000
Debt Service	25,643
Contribution to General Fd-IT Services	20,000
Reserve for Future Projects	146,212
Contingency Furlough	<530>
Contingency 401(k) Reduction	<u><515></u>
Total Expenses	\$546,000

The County's orthophotography was completed this year. These updates must be done every few years to incorporate new roads and developments that alter terrain and need to be available for E911 personnel to view to make decisions on best access and means of handling emergency situations. Having current data also is important to citizens, developers and county/city departments to make informed decisions about terrain, ground cover and access questions. The State 911 Board policies and procedures include a presumption that base maps must be periodically replaced; and that a reasonable replacement cycle is four (4) years.

Grant Fund

The recommended FY2010-2011 grant fund is comprised of the following continuing grants:

Airport Improvements
High School Resource Officer
CDBG Housing Rehabilitation
Urgent Repair Program Grant
Rural Center Building Revenue Grant
One NC Fund Grant
Bulletproof Vests Grants
Department of Justice JAG Grant

REVENUES

Rutherford County School Board	\$156,842
Airport Grants	150,000
County Airport Match	<u>16,667</u>
Total Revenues	\$ 323,509

EXPENSES

High School Resource Officers	158,285
Contingency Furlough	<1,443>
Airport Projects	<u>166,667</u>
Total Expenses	\$ 323,509

If the Board approves, carry over balances from FY2009-2010 grants will be re-budgeted with June 30, 2010 unexpended balances.

Reappraisal Fund

The FY2010-2011 Revenues and Expenses for the Reappraisal Fund are as follows:

REVENUES

Transfer from General Fund-Reappraisal	\$110,000
Fund Balance Appropriated	<u>\$228,725</u>
Total Revenues	\$338,725

EXPENSES

Salary/Fringe	\$258,137
Operating	\$ 84,450
Contingency Furlough	<1,958>
Contingency 401(k) Reduction	<u><1,904></u>
Total Expenses	\$338,725

Transit Fund

The Transit Advisory Board has submitted the following budget:

REVENUES

Elderly & Handicap Funds	\$ 89,886
RGP Receipts from riders	12,000
State Grant RGP	99,553
State Administration Grant	166,998
State Grant Vehicle Purchase	406,980
State Grant Equipment	6,300
Sale of Property	8,000
Van and Advertising Revenue	3,000
Contribution from Outside Agencies	<u>638,985</u>
Total Revenues	\$ 1,433,702

EXPENSES

Salaries/Fringe	\$ 711,723
Operations (other than below)	70,750
Capital Outlay	466,500
Fuel	145,000
Insurance	30,000
Five Year Plan	7,500
General Fund Indirect Costs	8,000
Contingency Furlough	<2,926>
Contingency 401(k) Reduction	<2,845>
Total Expenses	\$1,433,702

There are no county funds budgeted for Transit. The fund generates revenues from its users and from grants made by the state and federal governments. Demand for services has increased and is expected to continue as the demand for Medicaid transportation increases. The budget includes rates will increase to \$1.62 per mile plus fuel adjustment for Medicaid miles and \$1.55 per mile plus fuel adjustment for all others. Rates have remained unchanged since July 2006 when the rate increased to \$1.35 per mile with a fuel adjustment factor. This is comparable to the rates of our surrounding counties, such as Polk \$1.60 per mile and Cleveland County of \$1.63 per mile. A seasonal shuttle to Chimney Rock and Lake Lure is planned. Transit currently has 23 vans in their fleet and drives approximately 600,000 miles each year. The budget includes replacing six vehicles and three expansion vehicles, one of which will add the third light transit vehicle (18 passenger capacity) to the fleet. With these additions and increased overall demand, transit estimates over 706,000 miles next year.

Solid Waste

The proposed Solid Waste budget is based on a county operated Construction and Demolition (C&D) landfill with Municipal Solid Waste (MSW) and Industrial Solid Waste being disposed of in an out of county landfill at a cost of \$30.52 per ton based on the current contract. It is estimated that 64,000 tons of waste will be processed during FY2010-2011 and that 68% of this waste stream will be hauled out of the county. Therefore, \$1,300,000 is budgeted for contracted waste disposal. This expense makes up 37% of the solid waste fund \$3,524,444 budget. On December 31, 2010 the County's waste disposal contract will expire. A report will be provided by David Garrett, the County's Solid Waste engineer, to the Commissioners in May. When bids are received, we will evaluate the current tipping fee and request appropriate amendments to the Budget Ordinance at that time. **See Appendix L, Solid Waste Power Point Presentation** for a summary of the issues that were presented at the March meeting.

The revenue for the solid waste fund comes from a \$37 per ton tipping fee and a \$100 annual household user fee for those county residents who do not reside in a municipality. These fees are unchanged from fiscal year 2009-2010. In addition, in FY2008-2009 the State established a \$2 per ton fee on municipal solid waste and construction and demolition debris as a result of the North Carolina General Assembly passing the Solid Waste Act of 2007. This statewide solid waste disposal tax is collected at the Landfill and submitted to the State. After the State's costs of administration have been taken, the funds will be used for inactive hazardous sites cleanup and to fund grants to State agencies and units of local government to initiate or enhance local recycling programs to provide for the management of difficult to manage solid waste, including abandoned mobile homes and household hazardous waste. The County expects to receive \$38,000 from the State in FY2010-2011 from this fund.

The Solid Waste Disposal Tax Revenues will be used to continue to fund the costs of a SWEEP part-time position (\$13,000) to assist with recycling efforts in the schools. A goal of the Recycling Specialist is to reduce the waste going to the landfill through recycling and education efforts. Also, as of July 1, 2010 the Landfill will begin collecting the \$2 per ton state fee from the schools and college. The debt service (\$145,732 annually) for the convenience centers will be satisfied in October 2011. The budget contains funding to operate nine convenience centers and one manned green box site.

Operating hours for the convenience centers are:

6 AM – 7 PM Monday-Friday

8 AM – 7 PM Saturday

CLOSED Sunday

Operating hours for the manned green box site (Hollis) are:

8:30 AM- 6:30 PM Monday, Wednesday, Friday, and Saturday

A recap of Revenues and Expenses for the Solid Waste Fund are as follows:

REVENUES

Household User Fees	\$1,707,600
Tipping Fees	1,135,800
Recycling Revenues	84,000
NC DENR (\$2 ton) Fees	70,000
Tire Disposal	120,000
White Goods	21,500
Interest Earnings	10,725
License Fees	900
Solid Waste Disposal Tax	38,000
Fund Balance Appropriated	<u>335,919</u>
Total Revenues	\$3,524,444

EXPENSES

<u>Collections</u>	
Salaries/Fringe	\$ 696,944
Operations	133,890
General Fund Indirect Costs	29,667
Debt Service	192,559
Contingency Furlough	<2,707>
Contingency 401(k) Reduction	<u><2,633></u>
Total Collections	\$1,047,720

<u>Disposal</u>	
Salaries/Fringe	\$ 483,437
Waste Disposal Contract	1,300,000
NC DENR Fees (\$2 ton)	115,000
General Fund Indirect Costs	37,759
Operations	493,729
Debt Service	49,200
Capital Outlay C&D Expansion	5,000
Contingency Furlough	<3,753>
Contingency 401(k) Reduction	<3,648>
Total Disposal	<u>\$2,476,724</u>
Total Expenses	\$3,524,444

Tourism

Based on a continued 5% occupancy tax the Tourism Development Authority Board has presented the following budget:

REVENUES

Occupancy Tax	\$474,211
Interest	4,500
Fund Balance Appropriated-Capital	
Improvements	150,000
Fund Balance Appropriated	
Operating	<u>15,858</u>
Total Revenues	\$644,569

EXPENSES

Salaries/Fringe	\$125,733
Advertising/Marketing	178,410
Printing/Postage	34,000
Visitor Center Expense-Forest City	8,400
Hickory Nut Gorge Contract	55,000
Capital Outlay-Lake Lure	100,000
Capital Outlay Wayfinding	50,000
General Fund Indirect Costs	24,093
Operations	53,075
Contingency Furlough	<1,268>
Contingency 401(k) Reduction	<1,233>
Total Expenses	\$644,569

The budget request reflects revenues at FY2009-2010 estimated. Occupancy tax has experienced a 7% decrease over the prior year. The TDA Board continues working to increase awareness of the area through its Stakeholder Services program. The program enables the TDA to work more with county organizations and to aid all the County's stakeholders, including area lodgings, attractions, restaurants, event organizers, elected and civil leaders, small businesses, chambers of commerce, and citizens. Also, more electronic marketing methods and publications will keep the marketing program strong

during these challenging economic times. The budget also reflects converting their part-time administrative assistant to full-time.

Special Districts

It is not possible to provide special districts' requests at this time. We have asked the special districts be completed on or before May 7, 2010. We will provide you with these requests as soon as they are available.

XVIII. SUMMARY OF RECOMMENDED BUDGETS FOR ALL FUNDS

General Fund	\$ 46,110,514
DSS Fund	12,427,498
E911 Addressing Fund	546,000
ROD Automation Enhancement	49,920
Grant Fund	323,509
Reappraisal Fund	338,725
ICC Capital Reserve Fund	152,500
Water/Sewer Capital Reserve Fund	448,657
Schools Capital Reserve Fund	6,864,952
County Building Reserve Fund	1,859,385
Debt Service Fund	8,275,423
Transit Fund	1,433,702
Solid Waste Fund	3,524,444
Tourism Fund	<u>644,569</u>
GRAND TOTAL ALL FUNDS	\$ 82,999,798

I would like to thank the county department heads for their work on their individual budgets and the survey. Also, I would like to individually recognize Paula Roach, Julie Scherer, Judy Toney, Debra Conner, Hazel Haynes, and Brooke Watson for their many hours in preparing this report.

Respectfully submitted,



John W. Condrey
County Manager

April 29, 2010

Copies of the recommended budget will be available in the Clerk to the Board's Office and the County Library for public review. Individuals desiring a personal copy may purchase them from the county for \$40. The approved budget will be available for purchase at a cost of \$50. Please order your copies from the Finance Office and allow five working days for delivery. These documents will also be available online @ www.rutherfordcountync.gov.